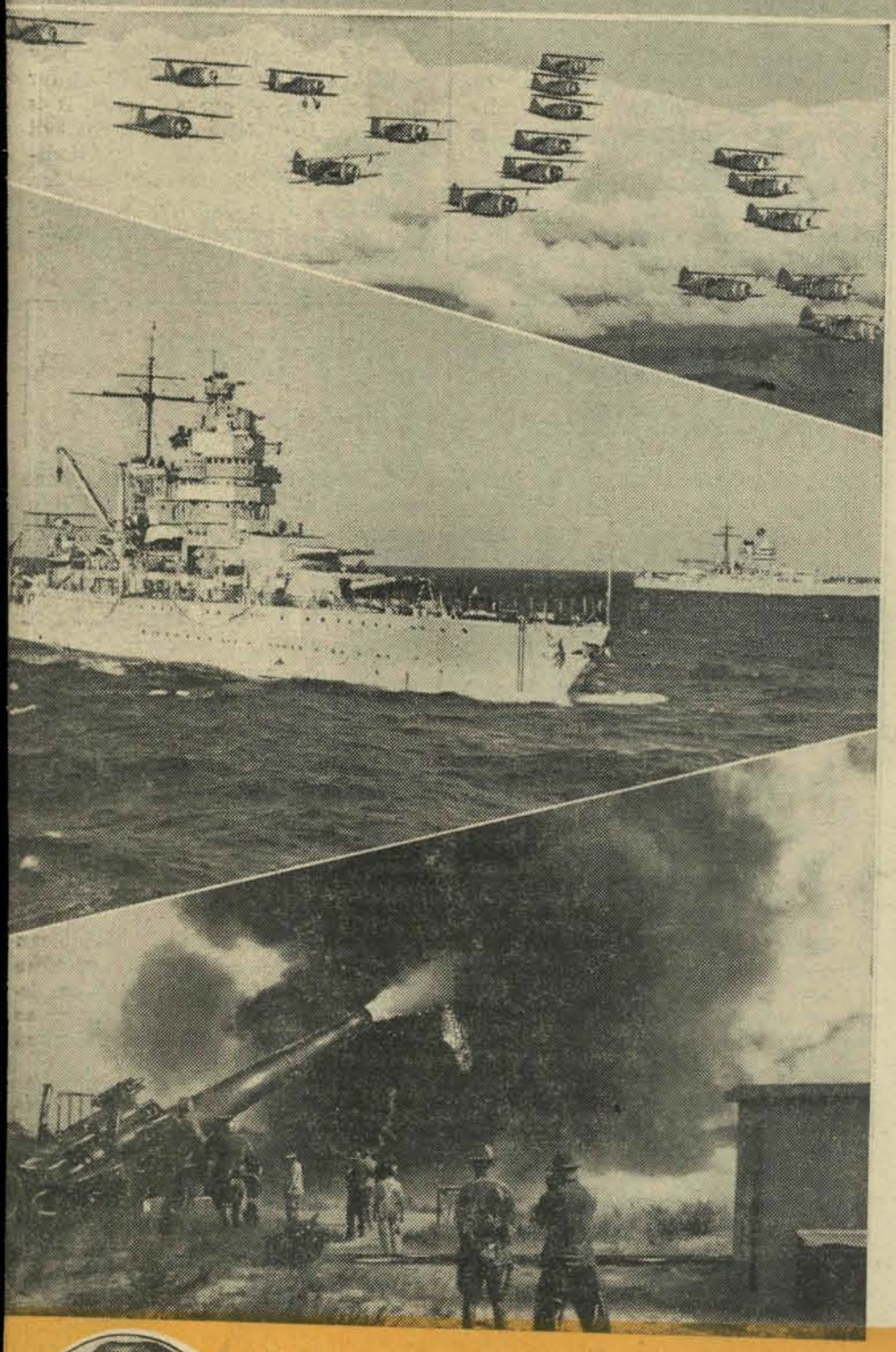
NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

Royal Oak, Michigan | April 29, 1940 | Subscription: Three Dollars per Year | 10c

WHY AMERICA MUST KEEP OUT OF WAR



73% OF THE PEOPLE, HALF THE LAND AREA, OF WORLD NOW FIGHTS

ALTHOUGH THE DESIRE for peace is rooted firmly in the heart of every humble man, in every land, 73 per cent of the population of the world today is at war!

Leaders of nations have spread the shattering blows of conflict over 30-million square miles of a total 51-million miles of the earth's land surface.

In the two decades of comparative quiet following the World War, ambitious politicians in nearly every land gave pious lip-service to the ideal of peace.

Now the leaders of Britain, Germany, France, Russia, Japan, China and lesser States have thrust their people into war. Today, war's horrors are a vivid reality to more than 1,450,000,000 persons living in these nations.

Japan's undeclared war in China involves more than 530-million persons in the Orient. The war between Britain and Germany pits British resources and manpower—495-million persons—against the might of the Swastika. Russia's invasion of Finland placed the Soviet's 174-millions in the conflict. France's alliance with Britain, and war with Germany, threw the French empire and its 113-million subjects into a state of war.

Thus, while the citizens of every land hope and pray for peace, their leaders drive forward in a devastating war. They acknowledge freely that the hope of peace is doomed until their "objectives" are realized. And these objectives, in each case, are irreconciliable with those of their adversaries.

Thus, America's place in the conflict is made even plainer. America must remain at peace: that the lamp of civilization—now glowing feebly in Europe—may not be entirely extinguished.

—Ewing Galloway

LET EUROPE PAY WAR DEBTS ★ *By Senator Lundeen*

AN ANALYSIS OF INTEREST ★ *By Rev. James McShane*

CURE OF OUR NATIONAL UNEMPLOYMENT *By Robert J. Owen*

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DINNER CHAT
By the Staff

The American Spirit

IN A TIME of such universal reliance upon the Government for relief and subsidy assistance, the evidences of individuals' efforts to help themselves are more than ordinarily to be commended.

The unsightly fringe of tar paper shacks that surrounds many of our metropolitan suburban areas — and which promise another "slum" problem in a few years—are, nevertheless, notable for one aspect of the American spirit of independence. Many of the occupants of these self-constructed shacks are found to be former city dwellers, frequently factory men now unemployed or on relief, who lost their city homes. And still these individuals would rather possess their own little shack on a piece of ground owned by themselves than to accept Government aid in a slum clearance project.

To be sure, these individual efforts are often less efficient than those of the Government undertaking its well-intentioned social projects, but surely credit must be given for the survival of the individual American spirit which undertakes to "do something about it," without recourse to municipal or Federal agency. Maybe, when politicians ever get time, some wise use can be made of this individual spirit of independence still slumbering in depression America.

* * *

Every week there comes to the editorial offices of SOCIAL JUSTICE many proposals and schemes of earnest individuals who hope to get something done. As these are for the most part local community efforts, which may become useful social experiments, or which, in the wrong hands, may be made into just another "racket," SOCIAL JUSTICE cannot as a rule give them the publicity their earnest sponsors desire. Nevertheless, much of this honest effort is encouraging and surely the right intentions are to be commended.

We have, for example, the letter of an individual in Philadelphia who proposes a non-profit corporation to be known as *"The Forty Onward Association."* It announces an intention to work for the re-employment of that portion of the unemployed past 40 years of age and to carry on a continuous campaign to overcome the unreasonable prejudice against this age group.

From many parts of the country, too, comes news of self-help co-operatives and in particular, the credit union. At the Trinity League, 32 West 60th Street, New York City, a credit union similar to the plan outlined at the Catholic Rural Life Conference, is under way. It patterns itself after such a project started in Granger, Iowa, by Msgr. Ligutti. Rev. Paul Ward, of the Paulist Fathers, editor of *Wisdom*, is spiritual director.

Several hundred parish credit unions are already operating in the United States and many more in Quebec and Nova Scotia.

SOCIAL JUSTICE. National Weekly. Copyrighted 1940 by the Social Justice Publishing Company; publication and editorial office, Royal Oak, Michigan. Subscription price, United States and possessions, $3.00 per year. Unless otherwise directed, all subscriptions begin with the current issue. Three weeks are required to effect change of subscriber's address. Give both old and new addresses. Entered as second class matter March 12, 1937, at the Post Office, Royal Oak, Michigan, under the Act of March 3, 1879. Louis B. Ward, Editorial Director; E. Perrin Schwartz, Editor.

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Vol. 5A April 29, 1940 No. 18

The Credit Union

In a series of articles on the Credit Union under Catholic Action, in *Wisdom*, Mr. Sam Atkinson writes:

"The Credit Union places the man before the dollar. It recognizes character as an asset. It looks beyond the man to his wife and bairns. It helps him prepare for the future of his children."

The *Wisdom* writer continues:

"When you join a credit union for the purpose of saving, the treasurer seeks to find out what your object is. In a case with which I am familiar, a man with a bright daughter woke up to the fact that the time was coming when Mary should have a chance at a college education. She had secured entrance into one of our Catholic high schools. Her father decided to put a few dollars a week away in the Credit Union for a fund towards Mary's going to college.

"Last Christmas he found himself short of money to buy Christmas gifts. He needed a hundred dollars. He did exactly as he would have done if the money had been in a savings account in a bank. He went to make a draw. The treasurer knew his object in saving. He saw the danger of breaking into Mary's account. Finally he refused to allow the withdrawal of funds by making a compromise. "Leave the money in, Paul, and let us make you a loan which you can repay in ten months' time, and you do not have to break this fund. You can still go on saving for Mary." A little matter, perhaps. But the fact that his fellow members were interested in Mary's education made him feel that he must still go on saving for his daughter, and wipe out that loan independently."

Regimentation Price of Subsidy

MR. HOLGAR J. JOHNSON of New York, president of the Institute of Life Insurance, in an address prepared for the mid-year meeting of the National Association of Life Underwriters at Atlanta, Ga., April 5, 1940, spoke timely words of wisdom when he declared that "the price of Government subsidy eventually calls for the sacrifice of personal liberty." Said Mr. Johnson: "One of the most important questions for the American people to decide in the coming decade is whether they shall provide security for themselves through continued thrift and initiative, or whether they shall look more and more to the Government for support.

"Let us not forget," he said, "that this is still the nation of greatest opportunity and that we must provide all the security for ourselves that we can if we are to retain our individual freedom and democracy."

Security through Government subsidy eventually brings economic regimentation, Mr. Johnson warns. He reminds us that *Government does not create wealth, but consumes the wealth that people produce.* The extent of the consumption of wealth by our Government is indicated by the staggering national debt of close to $45-billion. That wealth has not been produced by the Government. It will eventually come out of wealth produced by the people through taxation. When the limit of taxation is reached, the Government will then be obliged, under capitalism, to regiment agriculture and to regiment industry to continue its subsidies, or on the other hand to wipe out its debts through a disastrous policy of inflation. In either case, private initiative which is the well-spring of production, is destroyed. When that page is reached, personal liberty and democracy cease to exist and America must accept the economic tyranny of totalitarianism.

The "other alternative" to this *impasse* presented by the uncorrected abuses of capitalism, is, of course, the proposed monetary reform with which readers of this Magazine, and the followers of Father Coughlin's broadcasts through the years, are already familiar. For the benefit of new readers and newcomers to the Radio Priest's listening public, we recommend a thoughtful reading of former Senator Robert J. Owen's article in this edition of SOCIAL JUSTICE, as well as Father Coughlin's personal message, "From the Tower."

Commendable Judgment

The judgment of Governor Lehman of New York, approving the *McLaughlin Bill* to permit children in the public schools to be absent for religious observance and education under rules established by the State Commissioner of Education deserves commendation.

Governor Lehman properly states that: "Neither the *Constitution* nor the law discriminates against religion. Denominational religion is merely put in its proper place outside of public aid and support." The Governor further states: "The bill does not introduce anything new into our public school system, nor does it violate the principles of our public educational system."

While the *McLaughlin Bill* is no adequate substitute for thorough religious education, at least it has the merit of giving young Americans some chance of drawing on the rich religious inheritance which is rightfully theirs, and which, unfortunately, the nature of our public school system has prevented them from so doing by banning religion from education.

'Technique'

Contrasting "worldly technique" with "spiritual technique," Monsignor Fulton J. Sheen satirized the "freedom" plea of the supporters of Bertrand Russell, in an address to 3,500 public school teachers at the annual communion breakfast of the Catholic Teachers Association of the Diocese of Brooklyn at the Hotel St. George, on Saturday, April 6th.

Reasoning according to the "worldly technique" on the principle that freedom is the right to do as one pleases, Monsignor Sheen, with obvious reference to the Russell case, said: "Here's a law that has been passed and says that you and I cannot throw our garbage out the window . . . This is a menace to freedom. Soon we won't even be able to throw bottles out the window. I could show you that people who throw bottles out the window are good mathematicians."

The basic principle of the "spiritual technique," according to Monsignor Sheen, is that of Jesus Christ "the Truth shall make you free." It follows the law of Christian Charity. The corrective of the "worldly technique" is the practice of love for God and love of our neighbor. It is to return good for evil and not evil for evil. It is to follow the admonition of Christ: "Love your enemies, do good to them that hate you, pray for them that persecute and calumniate you!"

Some Important Questions

THE PATHWAY to greater knowledge concerning the practical science of social justice, lies through concentration on the problems of the day, relating to that science. With that in mind, the editors of SOCIAL JUSTICE National Magazine attempt to translate the events of the day in terms of social justice, the practical science. To aid you in gauging your own progress along this line, we have prepared the following questions, based on material presented in this edition.

Why does Father Coughlin say that, in his opinion, America has "been in the war since 1934?"

Is the United States of America gaining or losing in this "white" war of economics? Why?

Why is not Great Britain's credit as good as China's so far as new loans are concerned?

What was President Wilson's distinction between war financing by bonds and loans by private bankers?

Could any of the bills now pending before Congress cure unemployment and bring about a rapid restoration of normal prosperity in this country? If so, what would be such a bill's chances of passage?

What is Father McShane's view on the claim that "foregoing profit" justifies an interest charge?

How does the threat of an alliance of India's dominantly Moslem provinces with Afghanistan affect Great Britain's war problem in the Far East? Is the peril of a Russian invasion a greater threat than internal revolt in India? Why?

On what traditional American policy does Senator Lundeen base his demand for the Caribbean islands of England and France as part payment on their defaulted war debts to this country?

How did the Artist Guilds of Italy give us the famous Old Masters? In what respect did Italy's guilds differ from the merchant guilds of England and Germany?

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FROM THE TOWER

By FATHER COUGHLIN

America in War Since 1934—Economic Phase Fought With Gold Instead of Bullets—U.S. Loser So Far

I

SINCE 1934, in one sense, America, in my opinion, has been in the World War—a war that did not actually begin until 1939.

This paradoxical statement demands explanation.

Most students of world history recognize that the *Peace Treaty of Versailles* was no more than an armistice. It did not definitely close the book which chronicled the conflict between two imperialistic powers, each seeking world domination; rather, it merely terminated a chapter.

In November, 1918, both the Central Powers and the Allies were exhausted financially. Taking advantage of their momentary ascendancy, the Allies wrote the *Peace Treaty of Versailles* primarily to hold the Central Powers in subjugation while they, the Allies, might enjoy a breathing space to reconstruct their broken financial fences.

The methods employed to attain this objective were, in my opinion, threefold: First, borrowing credit money from the United States; second, organizing a League of Nations, dominated by themselves, for the purpose of establishing a World Court and a World Bank, through which latter the economic domination of the victors could be sustained; third, replenishing their national finances through the manipulation and sale of gold.

Such were the plans of the Allies following the *Peace Treaty of Versailles.*

* * *

To clarify the paradox expressed in the opening paragraph, permit me to recall for you some of the facts relative to "gold manipulation." For the last nine years or more the world has been engaged in a "white war"—an economic war. It was fought not with bullets of lead but with nuggets of gold. As a result of this "white" war, practically all the commercial gold possessed by Germany, Italy, Spain, Portugal, the South American Republics, Japan, India and China was siphoned from these countries by Great Britain and France at $20.67 an ounce.

In 1934, the price of gold was raised by the United States to $35 an ounce—nearly $15 an ounce above what it had been. Then Britain and France began selling their gold to America at this new high price.

Today, there is buried at Fort Knox, Kentucky, more than $18-billion of gold, the major portion of which we bought at $35 an ounce while its producers mined and refined it at approximately $15 an ounce.

Who profited from the "white war"? The answer is obvious: Great Britain, the world's largest producer of gold, and France, profited most, having sold $20.67 gold to us at $35 an ounce—$10-billion worth.

* * *

America Buried the Gold

Yes, we have been "in the war" since 1934 in the sense that we have been building up the financial fences of Great Britain and France. We American people—with our tax money—in purchasing this gold have benefited Great Britain and imperial France.

What use did we Americans make of this gold buried at Fort Knox, Kentucky? The answer to that question is almost incredible: First, we sold $18-billion of Federal bonds to the bankers at what I have estimated to be 10 cents on the dollar; second, we set aside $18-billion of gold to guarantee the redemption of these bonds.

Were you aware that only approximately $300-million worth of the Fort Knox hoard is available for the use of the general American public?

Were you aware that the balance of the $18-billion has been set aside by Mr. Roosevelt's Administration to protect the $18-billion worth of bonds in the vaults of the members of the Federal Reserve Banks — bonds which these banks purchased at an estimated 10 cents on the dollar?

II

A second fact relative to "gold manipulation" will help explain how we have been "in the war" since 1934:

Following the *Treaty of Versailles,* which was only a breathing spell, I repeat, in the conflict between the Central Powers and the Allies, we Americans, through our policy of purchasing gold at the inflated price of $35 an ounce, obtained $10-billion worth of this metal from Great Britain and France. These empires, in turn, used the profits on this gold transaction, not to pay debts, but to purchase American stocks and securities and, in some instances, to gain control over certain industries and commodities in our country.

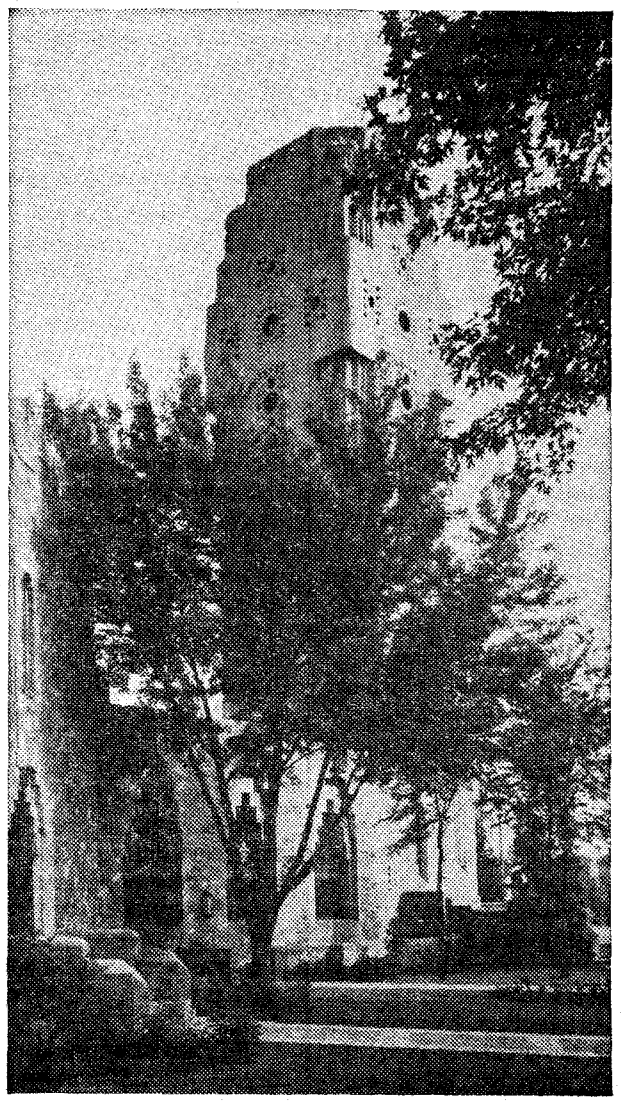
* * *

British Dumping Stocks

On Monday, April 15th, there appeared on the financial pages of our daily papers an Associated Press dispatch from London, England, which reads as follows:

"The British government today ordered holders of 92 United States stocks and 25 bonds to sell them to the Treasury in a new move to increase the supply of dollars with which to buy United States planes and other war materials.

"The new order requires British holders to transfer their stocks to the Bank of England immediately, payment to be made in pounds sterling at the official rate of exchange, $4.035 to the pound. ($4.03)



"This move greatly increases the holdings of the British government on Wall Street, where the Bank of England probably is the largest single operator.

"An order issued on February 18 required the owners of 60 stocks to transfer them to the government. British holdings in these 60 stocks were estimated in financial circles to total $100-million. There was no estimate available of the total involved under today's order.

"The stocks were (common except where otherwise designated):

"Air Reduction, Alpha-Portland Cement, American Car and Foundry, American Car and Foundry preferred, American Cyanamid B, American Fork and Hoe, American Superpower Corp. preferred, Armour Illinois preferred, Baldwin Locomotive, Bethlehem Steel, Bethlehem Steel preferred.

"Bohn Aluminum and Brass, Borden Co., Bristol Myers, Buffalo Niagara and Eastern Power no par first preferred, Buffalo Niagara and Eastern Power $25 preferred, J. I. Case, Celotex Corp.

"Central Hanover Bank and Trust, Central Power and Light preferred, Chartered Investors preferred, Chemical Bank and Trust, Chesapeake and Ohio Railway, Chicago Pneumatic Tool prior preferred, Chicago Pneumatic Tool, Chrysler Corp., Cleveland Cliffs Iron preferred, Cliffs Corp., Consolidated Gas Electric Light and Power.

"Consolidated Oil, Continental Gas and Electric prior preferred, Continental Illinois National Bank and Trust, Continental Insurance Co., Crane Co. preferred, Deere & Co., Eagle Picher Lead Co.

"Electric Autolite, Engineers Public Service preferred, Fairbanks Morse, First National Stores, Flintkote Co., General Electric, General Foods, General Refractories Co., Georgia Power preferred, Guaranty Trust Co., Hecla Mining Co., Houdaille Hershey Class A convertible preference, Household Finance Corp.

"Humble Oil and Refining, International Business Machines, International Harvester Co., Jersey Central Power and Light preferred, Jones & Laughlin Steel Corp.

"Kroger Grocery and Baking, Lambert Co., Lone Star Cement, Massachusetts Utilities Associates participating preferred, May Department Stores, Midland Steel Products Co. preferred, Mississippi Power and Light first preferred, National City Bank of New York, National Lead Co., New York Central, New York, Chicago & St. Louis Railroad preferred A, Ohio Edison preferred, Omnibus Corp., Otis Elevator, Pacific Gas and Electric, Packard Motor Car, Philadelphia Co. preferred, Philip Morris & Co.

"Prudential Investors Inc., preferred, Public Service Corp. of New Jersey preferred, Pullman, Inc., Radio Corp. of America convertible preferred, Schenley Distillers Corp., L. S. Starrett Co., Tidewater Associated Oil, Union Pacific Railroad preferred, United Carbon Co, United Shoe Machinery Corp., United States Rubber, United States Steel, Virginian Railway Co. $25 preferred, Virginian Railway Co. $100 preferred, Wesson Oil and Snowdrift Co., Western Union Telegraph, Wilson and Co., Worthington Pump and Machinery, Yale and Towne Manufacturing, Youngstown Steel Door Co.

"Bonds listed were:

"Atchison, Topeka and Santa Fe 4s adjustment 1995 stamped bearer, Atchison, Topeka and Santa Fe 4s adjustment 1995 stamped registered, Atchison, Topeka and Santa Fe 4s adjustment 1995 unstamped bearer, Atchison, Topeka and Santa Fe 4s adjustment 1996 unstamped registered, Atchison, Topeka and Santa Fe 4s general mortgage gold bonds 1995 bearer, Atchison, Topeka and Santa Fe 4s general mortgage gold 1995 registered.

"Baltimore and Ohio first mortgage fifty-year 4 per cent gold 1948, Central Pacific Railway first refunding 4s 1949 registered, Central Pacific Railway first refunding 4s 1949 bearer, Consolidated Cities Light, Power and Traction first lien fives 1962, Republic of China 4½s external debt 1937-1977, Electric Power and Light fives 2030.

"Illinois Central 4-3-4 1966, International Railways of Central America first mortgage 5s 1972, International Railways of Central America first mortgage sinking fund 5s 1972 Series B. Government of Japan external loan 6½s 1954, Kansas City Southern Railway 5s 1950 bearer, Kansas City Southern Railway 5s 1950 registered, Kansas City Terminal Railway first mortgage 4s 1960, New York Central refunding 4½s Series A 2013, New York Central and Hudson River Railway refunding 4½s 2013.

"Northern Pacific Railway prior lien 4s 1997 bearer, Northern Pacific Railway prior lien 4s 1997 registered, Southern Railway 4s Series A 1956, Union Pacific first lien and refunding 4s 2008."

(Continued on Page 19)

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In the Field and Factory

Cost-of-Production Is Sound Farm Program

Subsidies From Government Provide No Lasting Good, Yet Cost Billions

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—When the current session of Congress terminates its spending orgy and adjourns for the summer, it will have cost the American taxpayers nearly another $1-billion in its misdirected efforts to pull agriculture out of the economic mire.

That is the prospect, and it doubtless will remain the prospect for years to come, unless cost-of-production for farmers is enacted into law.

Among the provisions in the *Agricultural Bill* pending final action are appropriations for $212-million for parity payments, millions more for soil conservation rewards, which farmers may collect by curtailing crops, and still more millions to meet expenses of the army of Agriculture Department employes who administer the complex A.A.A. program.

While Congress has concentrated on voting various subsidies, or gifts, costing the nation hundreds of millions of dollars, it has not attacked the farm problem in the one spot where the answer lies—raising prices of farm products

Would Guarantee Reasonable Profit

The *Cost-of-Production Bill* would assure farmers of a price for their commodities equal to the cost of producing them, plus a reasonable profit for their labor and investment.

After 7 years of New Deal experiment, farmers are still receiving prices lower than the cost of producing their crops. Farm income still is far out of line with that of other industries. Consequently, the purchasing power of farmers is ridiculously low. Since agriculture is the nation's basic industry, the country cannot prosper until farmers prosper —until the farmers are able to buy the products of manufacturers.

In this connection, Representative Fred L. Crawford of Michigan recently introduced into the *Congressional Record* figures showing that the 61,943 farmers in 16 counties of Michigan, who sell milk in the Detroit milk-shed, receive only 46.02 per cent of cost-of-production for all crops sold.

Michigan Farmers Losing Annually

The statistics, prepared by Edward E. Kennedy, president of the National Agricultural Conference and vice-president of the National Farmers Guild, were based on reports of the Department of Agriculture and the Census Bureau.

Employing ordinary business methods of computing cost-of-production, Mr. Kennedy discovered that the average farmer in the area has expenses of $2,568.97 annually, but receives only $1,720.56 in return for his products. Thus some farmers not only fail to make a profit, but actually operate at an $848.41 loss each year!

The study covered average production and prices over a 5-year period, except in the case of milk, for which only recent price records were used.

Explaining how he arrived at cost-of-production estimates, Mr. Kennedy said: "The figures presented here are comparable to the figures which a public utility company prepares for presentation to the rate-making authority in Michigan or any other state to justify such commission in fixing a rate which is reasonable . . . These figures are comparable to those which a manufacturer must prepare each year in order to arrive intelligently at a necessary selling price for the articles he proposes to market to yield him a profit in addition to management and wages for labor, depreciation, and other expenditures."

Interest Depreciation Considered in Cost

Kennedy therefore charged against the cost-of-production: interest on the farm land investment, depreciation on the farmer's house and other farm buildings, fences, the lighting system, machinery, and equipment. On livestock he charged both interest on the investment and depreciation.

Fixed charges, such as taxes on real estate, insurance and soil maintenance costs, together with current operating expenses also were included. In the latter group were cost of crop insurance, personal property insurance, seeds, fuel, power and various other expenses incident to efficient farm operation.

An annual salary of $1,200 for the farm operator and $150 for hired labor for 100 days of the year was allowed.

No doubt there are critics who resent the inclusion of so many items charged against production cost. It must be remembered, however, that manufacturers of industrial products base their selling prices on budgets prepared in identical fashion.

If the manufacturer is entitled to a reasonable return on his investment and labor—which he unquestionably is—then, too, are the farmers, who feed the nation.

Technological Evils Balanced by New Industries

GOVERNMENT and industry should make concerted efforts to find employment for men rendered jobless as a result of displacement by machines, Philip Murray, C.I.O. official, told the Temporary National Economic Committee recently.

He declared he does not favor halting technological advances, but he emphasized that provisions should be made to re-employ men in other capacities when they are thrown out of work by the introduction of machines. Also, he said, the benefits of lower production costs through use of new machines should be shared with consumers.

Mr. Murray cited examples in the steel industry wherein 38,000 workers have been displaced by machines since 1929. In the last 10 years, he declared, about 2½-million workers have lost jobs because of technological improvements.

While all of these assertions are probably true, and while technology does definitely present a problem, there is one cheerful note that Murray did not sound.

That is, the prospect of new industries supplementing those already in existence. Even in the 19th century fears were raised over mechanization and mass production. But always new inventions gave rise to new industries, which afforded more employment than ever before.

Legitimate Labor Has Nothing to Fear in Anti-Trust Drive

THE NEWS: Wendell Berge, special assistant to Attorney General Robert Jackson, has reiterated that legitimate organized labor has nothing to fear from the Anti-Trust Division of the Department of Justice.

He declared that while the Division would continue its campaign to eliminate unlawful collusion in the building trades and other fields, it has no intention of hampering legitimate activities of labor unions.

"We favor the principles of unions," he said, ". . . but when complaints indicate widespread violation of the Anti-Trust Laws in the distribution of a particular commodity, we undertake to investigate simultaneously the whole distribution process of that commodity . . . The Department cannot overlook particular violators just because they happen to belong to one or another group of persons whose right to organize is recognized by law."

COMMENT: It should not be difficult to accept Mr. Berge's point of view. Materials and labor costs in the building industry have long been exorbitant. It has stifled whatever chances that industry has of rebounding from the depression.

Part of that responsibility rests on the shoulders of unprincipled individuals who control certain unions and collaborate with contractors and manufacturers to maintain artificially high prices.

In Pittsburgh, reports Edwin A. Lahey in the *Chicago Daily News*, anti-trust indictments already have brought sharp reductions in amounts of bids. The anti-trust drive should receive the support of everyone interested in industrial recovery.

Ben Gold, Fur Union Chief, Is Convicted

By Staff Correspondent

NEW YORK, N. Y. — Ben Gold, president of the Communist-dominated International Fur Workers' Union and ten associates have been found guilty of violating the *Sherman Anti-Trust Law* in 1931, 1932 and 1933 by illegally restraining trade in the fur industry.

The trial, which began February 20th, terminated after a jury had deliberated for 24 hours over 4,000 pages of evidence to prove that the defendants practiced such acts of terrorism as sluggings, raids on recalcitrant fur establishments, smashing of windows and throwing of stench bombs against non-union workers and shops.

Convicted with Gold were Julius Weil, Al Weiss, Jack Schneider, Joseph Winogradsky, Morris Lauber, Herman Paul, Oscar Mileaf, Julius Schwartz, Irving Potash and Sam Burt. Seven of the defendants were acquitted.

Sentence was to be imposed by Judge William Bondy, the maximum penalty being one-year imprisonment and a fine of $5,000. Defense Counsel Louis Boudin stated that appeals from all the convictions would be filed. Upon request from Berkeley W. Henderson, Government prosecutor, Judge Bondy granted a motion to have the defendants' bail, which in some cases had been as low as $500, raised to $2,000.

The original indictment of which this trial is the result was returned as far back as 1933, but mysteriously delayed until this year. Two similar indictments returned at the same time led to the conviction of gangsters Louis (Lepke) Buchalter and Jacob (Gurrah) Shapiro for also attempting to control the fur industry by coercion.

Henry Wallace Corroborates Charges by Father Coughlin

THE NEWS: Corroborating the assertion made by Father Coughlin in his radio address of April 8, Secretary of Agriculture Henry A. Wallace declared recently that the Farm Credit Administration in 1933 and 1934 "bailed out" banks and insurance companies, but "left farmers with debts they can never pay."

In his discourse Father Coughlin attacked inconsistencies in the Federal Government's program for aiding agriculture. He pointed out the pressing need for increased farm income to meet the heavy debt obligations which the farmers are unable to retire because of ruinously low agricultural prices.

Since 1929, he said, many private banks failed, but the Government Land Banks "bailed them out" by assuming their farm mortgages. The Government did not, however, "bail out" the farmer, he said.

COMMENT: The statements of Father Coughlin and of Secretary Wallace dovetail perfectly. Both indict the Government for rushing to the aid of private bankers, while neglecting the farmers who were, and still are, in extremely strained circumstances. Certainly no one in America should be in a better position to judge the facts of this matter than the Secretary of Agriculture.

Father Coughlin declared in his address that "thousands of American farmers are now attempting to carry mortgage debts much larger than they can ever hope to pay out of a farm income. Remember that many farmers purchased their acreage when commodities sold at high prices —for example, when wheat was $2 a bushel. When wheat fell to $1 and less per bushel, it meant, for all practical purposes, the farmers' debt was doubled."

Wallace's denunciation of the Farm Credit Administration's former policies was voiced at a press conference in Washington during a discussion of changes he has instituted in the F.C.A. since it came under his jurisdiction. Until recently it had been an independent agency, but President Roosevelt, exercising his Government reorganization authority, transferred it to the Agriculture Department.

To prove that the one-sided policies of the F.C.A. were unsound, Wallace cited the fact that 25 per cent of the farmers with F.C.A. loans are now delinquent.

Failure to liberalize farm credit, he declared, would result in heavy losses both for the F.C.A. and for the debtor-farmers.

It is encouraging to find a member of the New Deal cabinet admit publicly one of the most serious flaws in the Government's efforts to rehabilitate American farmers.

But it is disheartening to view the probable effects of placing all farm loans in the hands of the Secretary of Agriculture. SOCIAL JUSTICE is in full accord with Wallace's plan to relax the stringent rules governing farm credit.

Debt-ridden farmers must be given the benefit of lower interest rates and other measures proposed by the Jones-Wheeler bill and advocated by Secretary Wallace.

These reforms of the credit system should not, however, become a political whip to be snapped at farmers not complying with the A.A.A. program. The Farm Credit Administration should be restored its independent status, so that merit and need, rather than politics, shall be the deciding factors in determining which farmers shall receive the benefits of liberalized credit.

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Inside Washington

'War Scare' Breaks Out After Norway Invasion

Credit Talk, Naval Building, Planes Sales and Threats Follow New Nazi Thrust

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The week just passed should be put down in the history notebooks of the present as the greatest "scare" week since the outbreak of hostilities in Europe in September.

In one short week the Government of the United States:

1. Sealed the Pan-American bond of unity with the promise to fight as soon as the need arrives.

2. Authorized Secretary of State Cordell Hull to shake his fist under the nose of Japan in a challenge to leave the Dutch East Indies strictly alone regardless of the turn in the European war.

3. Planned for the expenditure of another cool billion dollars for the construction of giant battleships, aircraft carriers, cruisers, destroyers, and warplanes after Senate passage of the measure.

4. Opened the way for further discussion of the need for suppling unlimited credit to the Allies in the present war.

5. Gave tacit approval to the sale of 1,500 more of the latest type warplanes developed in this country to Britain and France. The Allies now are buying the most modern planes developed for our own Army and Navy.

6. Took further steps to keep the heavy hands of the German government off Danish and Norwegian holdings in this country.

Firm Will Needed for Peace

If the tempo of recent days is continued, the country will be brought to war's door without half the effort ordinarily required. The "war scare" began simultaneously with the invasion of Denmark and Norway by Germany. As new invasions threatened and neutral European nations mobilized up to the limit, the jitters affected our own Government, with the results detailed above.

Seasoned Washington observers are agreed that this nation will not be able to escape the war, unless it makes up its mind to do so *now*, before the frenzy of Europe makes another assault on this nation's fever chart.

Again it must be pointed out that national defense is a matter quite apart from foreign defense. The first is of vital concern to this country; the second is none of our business. President Roosevelt's assurance of a will to fight if the need arises is sound just so long as he speaks in terms of the boundaries of this nation.

Japanese Policy 'Consistent'

Secretary Hull's warning to Japan is a danger step, but one that follows faithfully the pattern of our recent relations with the Japanese. January saw the termination of our trade relations with Japan. More recently, Ambassador Grew stormed in protest at Japan's treatment of "American interests" in China. Now Secretary Hull anticipates a Japanese attack on the Dutch East Indies, lying close to our Philippines, and warns that the Japanese must keep hands off.

Undoubtedly, the Dutch East Indies are important to the economy of this nation. They are a rich source of needed supplies of rubber, tin and other commodities. But shall we war on Japan to insure continuance of these commodities? Shall we incite the Japanese by reading aggression that may or may not be in their minds?

Our Government has information that Japan is building eight new battleships. This may be the reason for Senate approval of the expenditure of another billion for naval vessels.

By opening our aircraft factories to the Allies, and by tearing up orders for our own Army and Navy in order that Britain and France may be supplied, the administration is writing its hatred of Hitler in bold strokes. Similarly, by renewing discussions of credit to the Allies, still in default on their war debts, the administration is taking another perilous step.

William Jennings Bryan stated that money is the most dangerous of all contrabands. This nation now is dealing in that contraband, and is fishing for vastly enlarged dealings. Such policies took us into the last World War. We must not be surprised at the results of the present adventure.

The way of neutrality is hard for those living next door to the war in Europe. It is easier here. If our neutrality is to be preserved, provocative war mongering must be curtailed. America's place is not in this present war. America must stand resolute to preserve Christianity for Europe and civilization for the world. No ideal is more worthy than that.

Bureau-Curb Measure Moves Ahead in House

THE NEWS: Amendments designed to strengthen the Walter-Logan Bill are expected to be introduced in the House of Representatives when that body resumes debate on this measure soon. Object of the bill is to unify procedure and court-appeal by Federal boards, commissions and administrative agencies.

The bill, outgrowth of eight years' study of bureaucracy by lawyers, statesmen and political figures, was introduced in the Senate originally by the late Senator M. M. Logan of Kentucky. It is sponsored in the House by Representative Frances E. Walter of Pennsylvania.

COMMENT: Any move to hasten adoption of this measure would be welcomed. Passed by the Senate, the Walter-Logan Bill awaits the favorable action of the House, and the usual ironing-out process in joint committee.

The Walter-Logan Bill, if adopted, would put an end to extra-legal operations and decisions by the many bureaus established before and after the New Deal. In substantially its present form, the Bill was endorsed by the American Bar Association.

Opposition to the Walter-Logan Bill arises principally from left wing groups which have cheered the march of bureaucracy in the name of "liberalism."

However, it has been obvious in late years that rule-making agencies which combine the functions of policemen, court and judge, have upset the Constitutionally-created balance between the legislative, judicial and executive departments.

That is sufficient reason for passing the measure, aside from every other consideration involved.

Hoover Calls for Rebuke of Russia

Herbert Hoover wants this nation to withdraw its ambassador from Russia as a gesture of atonement for its "gigantic political and moral mistake" in recognizing Russia in 1933.

Pointing out that American exports to Russia have increased 300 per cent since the Soviets invaded Poland under the protection of Poland's war with Germany, the former president stated that these supplies—largely gasoline, copper and alloys—may be used to "aid in the subjugation of the liberties of the Finns and the Poles or other people."

Mr. Hoover contends that our policies of buying gold from Russia and of conducting trade relations with a free hand have served to build up the Soviet state to the point where its aggression is a constant threat against its small neighbors. With this viewpoint Americans must concur.

Senator Says U.S. May Have to Annex Canada

THE NEWS: Senator Allen J. Ellender of Louisiana stated recently that in the event of a German victory in the present war, Canada "may have to be annexed by the United States." Such annexation would not be forced, he said, but probably would be sought by Canada "for their own protection."

COMMENT: To speculate on territorial enlargement is a dangerous game today. Nonetheless Senator Ellender struck on a theme that is a concern both of Canada and the United States at present.

While all such discussions are immature, still Canada is covered by the Monroe Doctrine. Annexation suggestions, however, come with more grace from Canadian sources than from legislative representatives of the United States.

Red 'Blitzkreig' Is Foreseen by Chairman Dies

THE NEWS: Chairman Martin Dies, of the House Committee on un-American activities, stated last week that the Communists of the United States were plotting to "blitzkreig" this nation "at the proper hour."

The information, Chairman Dies said, was contained in a written program for the paralyzation of utilities, industries, communications, transport, airplane plants and Naval yards. This written plan, he said, is now in the hands of the Committee.

The disclosure followed the sensational charge made by Mr. Dies, that Nazi and Communist elements were plotting a revolution in Mexico to be consummated in July, a revolution in which American veterans of the Spanish Civil War would figure.

COMMENT: Although astounding in the coldness of print, the outline given by Mr. Dies concerning a proposed Communist "blitzkreig" here represents simply the fulfillment of the well-known Communist dream for overthrow of the present Government in the United States.

It has been shown by Dies and others that Communists have infiltrated into positions of trust in government, have sought to gain control of labor organizations in key industries, in transportation and in utilities.

Thus, should this penetration be successful, undoubtedly the Communists would set a "zero hour" to strike simultaneously at the nation's nerve centers in an effort to overthrow the Government. That the Communists wrote such a plan, and were building for "the day," is evident from the disclosures made by Mr. Dies.

These are dangerous times. With war abroad, with this nation supplying war materials, opportunities for sabotage are attractive to Communists and Nazi sympathizers. Now more than ever, industry, transportation and government must be purged of Communistic elements. The work of the Dies committee in bringing these things to light must be recognized.

Reorganization Order Ignores Fine Record Made by Air Board

THE NEWS: President Roosevelt's fourth and final reorganization plan, made under authority given him in the Reorganization Act of 1939, aroused little stir when presented to Congress.

The plan provides for juggling of administrative offices in an arrangement which, the President said, would save an estimated $300,000 annually. Major changes were the switch of the Civil Aeronautics Authority from an independent status to that of a satellite of the Department of Commerce, and the transfer of the Weather Bureau from the Department of Agriculture to the Department of Commerce.

Unless Congress objects, the plan will become effective automatically after 60 days. In presenting his fourth plan for reorganization, President Roosevelt appealed for renewal of the Reorganization Act as a whole, which expires next January 20.

COMMENT: Although Congress remained singularly unmoved upon receiving Mr. Roosevelt's reorganization orders, sections of the nation's press did not. Greatest complaints concerned the Civil Aeronautics Authority transfer, and for good reason.

In the first place, the independent C.A.A. is an outgrowth of careful study on the part of Senator Pat McCarran of Nevada, and others. Desirous of cutting down the number of airplane fatalities and of bringing the entire Civil Aeronautical Division under Government regulation, Senator McCarran considered 21 separate bills before he finally assumed sponsorship of the measure creating the independent C.A.A. and the Air Safety Board.

That the agencies lived up to expectations is obvious. The commercial airways of the nation, under Government direction, recently completed 12 months of operation without a single death resulting from an airplane crash. The record is considered remarkable in view of broadened transport schedules, improved service and greatly increased passenger mileage.

The C.A.A. and the nation's commercial airways made this record under the guidance of Robert Hinckley, chairman of C.A.A. In two years he and his associates cleaned up the C.A.A., which had a checkered past while under the authority of the Department of Commerce.

Now, despite the fine record; despite the hard work and careful attention of Senator McCarran, Mr. Hinckley and others, President Roosevelt has tossed the C.A.A. right back where it came from.

Although other changes aroused little discussion, some whimsical speculation centered around Mr. Roosevelt's proclaimed saving of $300,000 annually. This sum, to the New Deal which has spent billions upon billions of dollars, is as insignificant as the bridegroom's father at a wedding.

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NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin
Published by The Social Justice Publishing Co.

LOUIS B. WARD, *Editorial Director*

E. PERRIN SCHWARTZ, *Editor*

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.

Just living annual wage.

Nationalization of important public resources.

Private ownership of all other property.

Control of private property for public good.

Abolition of Federal Reserve Banking System and establishment of a Government-owned Central Bank.

Restoration to Congress of its sole right to coin and regulate the value of money.

Cost of living maintained on an even keel.

Cost of production plus a fair profit for the farmer.

Labor's right to organize.

Recall of non-productive bonds.

Abolition of tax-exempt bonds.

Broadened base of taxation on basis of ownership and capacity to pay.

Simplification of Government and lower taxes.

Conscription of wealth as well as men in event of war.

Sanctity of human rights preferred to sanctity of property with Government's chief concern for the poor.

California Communists

HARRY LAND, staff writer on the *San Francisco Examiner*, under date of April 10, 1940, reports some amazing testimony in an investigation into reputed Communist control of state relief in California.

Ex-Communist, Don Morton, of Alameda County testified that Harry Bridges is still an underground member of the Communist Party, that 800 members of the University of California student body were members of the Young Communist League, that at least half a dozen instructors and professors at the University of California at Berkeley are undercover members of the Communist Party, and that the Federal Historical Survey project is out and out Communist controlled.

The testimony of this ex-Communist brought the intimation from Chairman Yorty of the State Assembly's committee that Federal officials will be asked to re-investigate the status of Harry Bridges. He intimated, also, that a state probe of the University of California at Berkeley will be instituted.

Of even greater importance than lenient treatment of a possible alien Leftist, is the undermining of any American university by the philosophy of Karl Marx.

Why Quit Our Own?

DR. THOMAS PARRAN, surgeon-general of the United States Public Health Service, according to an Associated Press release of April 12, 1940, stated in a lecture before the Massachusetts Institute of Technology that 40 per cent of the people of the United States are suffering a new kind of starvation attributed to faulty nutrition.

He pronounced the national diet deficient in milk and milk products, citrus fruits, green vegetables and meats.

Within 48 hours, the National Information Bureau announced that Americans contributed more than $9,800,000 toward "war relief" in Europe and Asia during the first six months of the war.

The largest recipients were the Finnish Relief fund, $2,500,000, and the American Jewish Joint Distribution Committee, $1,750,000.

It is good to see America give out of its wealth at the rate of $1.30 per year for every man, woman and child in distressed Finland. It is good to have seen Polish relief and Jewish relief and every other relief that rich America can give to the distressed of other lands. Such gifts should be continued.

Nevertheless, 52,800,000 of our people at home, 40 per cent of our population, according to Dr. Parran, are deficient in diet. Not $1.30 a year, not $68,640,000, but enough to "feed the hungry" should be spent, and spent immediately, upon our own American victims of malnutrition because they have not even milk, milk products, fruit, green vegetables and meat in this, the richest developed country of the world.

Nazi Aims

GERMANY'S INVASION of Denmark and Norway involves multiple aims. From the peculiarly military point of view, Germany reduces the air route distance to Scapa Flow by fully two hundred miles. It likewise greatly reduces the air distance to England's industrial cities.

Germany's economic aims are, obviously, twofold. She protects the flow of iron ore from Sweden and preserves a source of 9-million tons of ore for her furnaces. Likewise, in the economic field, Germany assumes a new position with respect to the Netherlands which threatens the important source of food supplies for England. Today, every important nation in the world recognizes that sufficiency in agricultural and military raw material production is an unparalleled national asset.

Today, every important nation likewise recognizes that those peoples seeking self-sufficiency in these raw materials are but attempting to secure that vital national asset.

Formerly, nations could depend upon foreign trade to supply deficiencies. Now, the hatreds and rivalries of nations have well nigh eliminated the trust in international trade. Autarchy has become the order of the day.

This is an important fact to thinking men, for its corollary is simple: If nations are forbidden access to raw material markets, whether agricultural or mineral, those nations will not be deprived of those basic commodities without a fight. If excluded from purchase, they will first attempt to produce. Then they will seek substitutes. Finally, they will seize neighboring sources through the age-old formula of aggression.

The maldistribution then of agricultural and mineral wealth is a constant threat of war.

The refusal to admit of the free flow of commerce to those in need of basic raw materials is simply an invitation for such nations to seek sources of supply within their borders. New sources failing, exclusion from world markets is an invitation to develop substitutes. Substitutes failing, war will be resorted to, for self-preservation is the first law of the nation as it is of the individual.

After Europe, America First

THE AVIATION Writers' Association has recently charged that specifications of new American military aircraft are being made available to foreign technical magazines, both British and German, while the same data is refused American publications.

The publication in a German and a British aircraft magazine of details of our new Navy scout bomber and new Army Air Corp pursuit plane were made the basis of an open query to the Army and the Navy and the joint aeronautical board.

The German magazine *Flugsport* in its issue of March 13 reportedly carried full specifications of the XPBS-1 Vought-Sikorsky military flying boat. These specifications were unsuccessfully sought for by American publications for months.

The British magazine *Flight* contained a drawing of the cannon installation in the "*Airocobra*" (the army Air Corps' new 400-mile Bell pursuit plane), which here is a protected military secret.

A spokesman for the Navy Department stated that no military secrets were being revealed in the release of specifications abroad. The American people received a similar answer when the Army was demonstrating the latest type of plane to the French many months ago.

It is, of course, entirely proper to protect the military, naval and air secrets of this country. It is, however, a sordid state of affairs when American writers can pick up data forbidden to them in the magazines of belligerent nations abroad.

John O'Connor and Dr. Wirt

SIX YEARS AGO this month Dr. William Wirt of Gary, Indiana, appeared before a Congressional committee and testified that there was a deliberately conceived plot among some New Deal Leftists to overthrow the established social order and substitute for it a "planned economy" in the United States.

Dr Wirt testified that he was told personally by some of the plotters, in a Virginia home, that by deliberately thwarting recovery they could accomplish their purposes.

To Dr. Wirt the President was described as the "Kerensky of the coming American revolution."

Dr. Wirt testified that the strongest weapon would be the "empty stomach."

John J. O'Connor, former chairman of the powerful Rules Committee of the House of Representatives, and victim of the Roosevelt purge of 1938, now publicly apologizes for his smear of the late Dr. Wirt.

John J. O'Connor publicly states, "In my early, rubber stamp support of the New Deal, I was quite severe with the distinguished doctor. Dr. Wirt was not called in rebuttal after witnesses had presented their well-staged denials. I use the word "well-staged" advisedly, because it was known *that at least six of them met and rehearsed their denials of what they had told Dr. Wirt.*"

All praise to John J. O'Connor for his honest, though tardy, confession.

It is also something of a vindication—if belated—of the ridiculed Dr. Wirt.

The Policeman and the Citizen

AT THE RECENT Police Department Holy Name Society Communion breakfast in New York, and again at the Communion breakfast of the St. George Association of the Police Department, Commissioner Valentine advised members of the Department to be courteous in the discharge of their duties towards the citizen. He emphasized the fact that the policeman is a public servant whose salary is paid by the taxpayer. The Commissioner advised the men of his Department to be "rough, tough and as obnoxious as possible to hoodlums and gangsters" but, he added, "Please don't wise-crack, abuse or give unnecessary summonses to our decent people or to our visitors."

This is all good, sound—and perhaps, necessary—counsel. The record of the New York policeman, generally speaking, shows that he has followed this advice carefully and well. Visitors to the New York World's Fair in 1939 were surprisingly unanimous in their praise of the efficiency and of the courtesy of the men of the New York Police Department.

Sometimes, however, it seems that too much stress is laid on the duties and the obligations of the policeman towards the citizen and the taxpayer, and entirely too little attention is paid to the duties and the obligations of the citizen and the taxpayer towards the policeman. While the policeman is a public servant, his is an honored and respected service. He represents law and order. He is the impersonation of public authority. Furthermore, it ought not to be forgotten that he also is a citizen and a taxpayer with rights that demand respect from every other citizen.

The preservation of civic rights and of civil liberties is, largely, in the hands of an efficient and incorruptible police force. Honest citizens who believe in civil liberty, therefore, should be the most staunch supporters of the policeman, both by word and example.

One can tell very quickly to what philosophy of life men and groups subscribe by their attitude towards the policeman. For example: to the Communist, the policeman is a "Cossack"! To the agitator for what he calls "democracy," the policeman is an "enemy of civil liberty." But to the average American who believes in law and order, the policeman is an honorable public servant, a friend in need, an official of courage and integrity.

War With Japan

FOLLOWING THE issuance of Secretary of State Hull's note relative to the Dutch East Indies, immediate speculation became rife as to the possibility of America's becoming engaged in the world war against Japan.

Should Germany enter the Netherlands many foreign correspondents predict that Japan will seize the Dutch East Indies, which islands are valuable in the economic world, among other things, for their tin deposits, one of the few commodities which we Americans must import.

Day by day, our suspicions are becoming more confirmed relative to a German *blitzkrieg* on Holland.

Day by day, are we Americans approaching nearer to the verge of war —war with Japan, with the Dutch East Indies as the prize?

It is unfortunate that, not foreseeing this contingency, the United States permitted to lapse its trade treaties with the Nipponese government. Had these trade treaties been renewed in a spirit of friendship and neighborliness, talk of our becoming engaged in a war with Japan would not now be current.

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Conspiracy Trial

Informer's Father Was British Agent

F.B.I. 'Inside Man' Completes Long Testimony in N. Y. Sedition Trial

By Staff Correspondent of SOCIAL JUSTICE

NEW YORK, N. Y. — His nerves repaired and, ostensibly, recovered from the breakdown which caused an unexpected adjournment of the Brooklyn sedition trial, Denis A. Healy resumed the witness stand last week for another harrowing cross-examination at the hands of the defense attorneys.

The questioning, which was marked by several sharp clashes between the defense and prosecution, continued until April 18 when the Government called its third witness, Special Agent Peter J. Wacks of the Federal Bureau of Investigation. In the meantime, however, the six defense attorneys had forced Witness Healy to confess to a series of facts that threw considerably more illumination on the informer's past.

Supplementing his previous testimony, Healy revealed that he was not the only member of his family who was a Government agent: his wife, he admitted, was also on the payroll of the F.B.I. He stated further that the Government, besides paying her a regular salary, gave Mrs. Healy the money with which to buy the expensive dinners and liquors served to the defendants in order to loosen their tongues.

Father Spied for British

His father, Healy asserted, had been a spy in the employ of the British Secret Service. Pressed for his father's name the witness was not sure whether it was Thomas Donald or Donald Thomas Healy. He was sure, however, that Healy, Sr., had been a sergeant in the Royal Irish Constabulary during the war and had earned his living by informing on Irishmen who sought their country's independence.

Healy admitted further that he knew a superintendent and "at least ten other men in the Royal Canadian Mounted Police." He stated that he also knew a few functionaries in the British Foreign Service.

In his previous cross-examination Healy had said he had fought the Black and Tans in Ireland while serving in the Irish Army. Last week, he abruptly reversed himself and told how he had fought against the Irish soldiers of Eamon de Valera.

After asserting that all who came to the meetings of the so-called Action Committee were "plotters," Informer Healy admitted that he had not written down the name of Francis Ryan, whom he stated had attended "at least two gatherings of the group." He excused this oversight by claiming that he did not want to "involve an innocent person in a crime."

Seven Rifles; Ten Men

The rest of Healy's testimony last week was mainly concerned with supplying the missing details of the meetings in which he claimed to have heard the defendants plotting to overthrow the Government. Particular attention was paid by defense counsel to a trip 10 of the accused made to Narrowsburg, Pa., in October for what Healy called "military maneuvers." After long questioning it was discovered that these military maneuvers consisted of an hour or two of rifle practice at an old rifle range and a series of mock attacks across a muddy field in a blinding rain storm.

The sum total of the rifles brought along on this trip, Healy admitted, was seven. The witness himself—through the collaboration of the F.B.I. and a National Guard officer—took an army machine gun belt with him, he said.

Charges of the defense that the F.B.I. had deliberately tried to entrap the defendants into committing a crime were brought out when the witness described a trip of a few of the defendants and himself to a naval armory in Brooklyn "in search of ammunition." Though the F.B.I. had been warned of this expedition before hand, Healy stated that he was ordered to go along with the boys and help them try to steal some arms.

Later the witness admitted that no arms were stolen in the course of the trip and reiterated his previous statement that the defendants had never had more than six or seven rifles in their possession. Asked if he had ever seen the defendants with any dynamite or if he had seen them set off any bombs, he replied in the negative. Part of the ammunition which belonged to the group, he conceded, was bought and paid for by the F.B.I.

Denies Friendship for Dead Witness

The first of the defense lawyers to cross-question the Government's star witness was Leo Healy, former Brooklyn magistrate and counsel for 10 of the accused. Claus Gunther Ernecke, the other defendant represented by Attorney Healy, hanged himself in the second week of the trial after receiving several death threats. It was Ernecke, who introduced Informer Healy to the other defendants and, unwittingly, gave the latter a great deal of the "information" which was passed on to the Government investigators.

Although he knew Ernecke for three years, witness Healy indignantly denied that he was a friend of the dead man, stating he was only an acquaintance. On April 14, after his client's death, Attorney Healy read to the jury a Christmas card sent by Witness Healy to Ernecke last winter. Part of the message read, "Best wishes for a Happy New Year."

After Leo Healy had completed his examination, Walter Thayer, counsel for John T. Prout, Jr., took up the questioning. Mr. Thayer brought out that at one of the meetings during which the conspiracy was allegedly being hatched, the defendants had played ping pong, wrestled with a broom and demonstrated jiu-jitsu tricks.

Following Thayer, Parnell J. T. Callahan, representing defendant George Kelly, examined the witness. Mr. Callahan asked the witness if he had not erroneously testified about seeing Kelly with a gun. Healy admitted his error and Attorney Callahan reserved the right to call Informer Healy as one of his own witnesses.

Informer Admits Being 'Paid Spy'

Next to examine Healy was Frank Adams, assistant to Martin Conboy who is defending the interests of Michael Bierne. A brilliant young lawyer, who conducted himself as if he were a veteran in criminal cases, Mr. Adams soon tied Healy up in a legal knot and forced him to admit he was a "paid spy."

Adams then made the witness admit that he had been at the F.B.I.'s office at Foley Square the night the defendants were arrested and had stayed there from 1:00 o'clock in the morning till 6:00 p.m. the following afternoon. Asked what he was doing during this period, Healy replied that he just sat in the office and "tried to get a little sleep on the floor."

The witness denied that he had been arrested along with the 17 young men originally rounded up by the G-men. In previous testimony he had also denied that, after the arrests, he had offered Ernecke $1,250 if he would turn state's evidence.

Adams' most brilliant stroke, however, came when he showed the court how Healy had sworn falsely on his citizenship papers in December 31, 1931. By producing Healy's marriage certificate, Mr. Adams proved that the witness had wed Anne Kagnowsky, daughter of a Long Island garage keeper, in June, 1931. Healy had sworn on his citizenship papers six months later that he was unmarried.

When Adams had finished with the witness, Edmund Wilson, counsel for Buckley and Quinlan, and Emanuele Trotta, counsel for William Gerald Bishop, concluded the defense cross-examination.

F.B.I. Agent Tells of Listening In

The afternoon of April 18, Healy ended his testimony and was dismissed by the Judge. He had been on the stand since April 5. Immediately after his exit from the courtroom, the Government called F.B.I. Agent Peter Wacks as the third witness for the prosecution. The first Government witness was Sergeant Henry Fisher of the New York National Guard who was on the stand less than an hour on April 5.

A short, stocky man of about 30 years, Agent Wacks proceeded to fill in the gaps of conversations reported by Healy, and the same weird story of plots, projected bombings and *coup d'etats* was repeated before the now weary jury and spectators.

The accounts of Wacks and Healy differed in one regard, however: Healy recounted what he allegedly heard when he was in the defendants' company; while Wacks was forced to tell what he heard through detectophones.

Whenever Denis Healy invited the defendants to his home for dinner, Agent Wacks, either alone or with other G-men, was up in the attic listening to the conversation through ear-phones, the court was told.

An Acknowledgment

Regina Shoolman and Charles Slatkin are authors of a 1940 book entitled, *"The Story of Art,"* describing the lives and times of the great masters, published by Halcyon House, New York.

Although the authors are far from complimentary in many statements to Christianity, nevertheless, the volume is replete with much factual information and beautifully illustrated with 120 full color reproductions.

In place of reviewing it, SOCIAL JUSTICE has borrowed heavily from its pages for the material of the article in this issue entitled, *"The Artist Guilds of Italy."*

Behind The News

Norway Had No Dies Inquiry

"NORWAY'S experience, and Finland's, have their clear meaning for this country," warns the *Chicago Tribune*, which adds: "The Dies Committee for several years now has been amassing evidence to prove that both the Nazis and Communists have been recruiting followers in this country and assigning duties to them. A good many citizens seem to have the notion that the Dies Committee has been shadow boxing or, at any rate, attacking an enemy of no consequence. They hold to this view in spite of the fact that Mr. Dies and his colleagues have produced convincing evidence to show that what did happen in Finland and Norway is being prepared here.

"The Committee proved, among other things, that the Nazi bunds are organized as military units, governed by military discipline. Nazi sympathizers have been convicted of obtaining military information in this country . . . The Committee has shown that Communists have been taken into various administrative departments in Washington and some of them have key positions. . . .

"It is known, thanks largely to the Dies Committee," continues the Chicago editorial writer, "that the Communists are influential in some labor unions and particularly in the C.I.O. unions in the basic industries such as steel, motors, automobiles, oil, coal, shipping and power. The C.I.O. has been trying strenuously to organize the men and women in the Government offices as well. Undoubtedly, the great majority of the members of all these unions are loyal beyond any question to this country, but if only a few of the leaders are not, the damage that they can work at a critical moment is incalculable.

"The experience in Norway indicates all too clearly that there can be a fanatical devotion by non-Germans to Nazi doctrine, a devotion powerful enough to overcome the patriotic instinct. The experience of Finland . . . proves that the Bolsheviks can command the same kind of conduct from non-Russians. There is no slightest doubt that both the Russians and Germans are working secretly in every country, and this one in particular, to strengthen themselves and weaken opposition from abroad.

". . . The Dies Committee has done a most useful piece of work in exposing the machinations of foreign governments in this country."

Trickery, Not Treason

The Norwegian Legation in Washington, D. C., in a report received through the Stockholm legation and made public in Washington, last week states that "false orders sent to Norwegian military officers by German agents" were responsible for the confusion attending the defense of that country during the critical first hours of the Nazi invasion and "not treason among army officers nor sabotage by the defenders."

In other words, the official Norway version is that the collapse of Oslo's defense was due to the Trojan horse tactic and the preparation by spies and agents, not traitorous betrayal by the defenders of Norway.

In contrast, too, with the fleeing monarchs of other regimes, King Haakon went to the front to serve with his country's defenders in the first line of action.

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Bankers Close to U. S. War Policy

Memo of Secretary Lansing to President Wilson Closely Parallels Private Banker's Letter

THE RECENTLY published papers of Robert Lansing, World War-time Secretary of State, reveal the intimate relationship between the private banking interests of America and the European nations with respect to credits during the war.

As early as October, 1914, President Woodrow Wilson was distinguishing between publicly offered bond issues of the Government and private financing of the Allies through the banks.

Another instalment of the recently released Lansing documents, showing the intimate exchange of notes on World War financing, is herewith presented by SOCIAL JUSTICE. A third instalment will be printed in a forthcoming edition. Because of the striking parallel between the present international crisis and that of 1914, the Lansing disclosures are of tremendous importance.

"851.51/167

"The Vice President of the National City Bank (Samuel McRoberts) to the Acting Secretary of State

"New York, October 23, 1914

"Mr. Counsellor: Supplementing our conversation of this morning I desire to call your particular attention to the following conditions now existing in this country and abroad.

"The outbreak of the European war came at a time when this country owed a large amount to Europe, particularly to England, in the form of short time drafts, maturing between the outbreak of the war and the end of the year. The amount, while large, was not abnormal, considering the volume of our trade relations and was directly due to the anticipated shipment of cotton during the autumn.

"War conditions, as you are aware, have made cotton bills unavailable for the settlement of this balance against us and it can only be wiped out by the shipment of the goods, in lieu of the cotton, that are now needed and desired by the various European countries. This is true, regardless of any temporary bridging over of the situation, and it has been the policy of the National City Bank, as far as possible and proper, to stimulate the unprecedented and unusual buying that is now going on in this country by foreign governments and their nationals. Since the beginning of the war this bank alone has received cabled instructions for the payment of in excess of $50-million for American goods and the volume of this business is increasing. Owing to war conditions, this buying is necessarily for cash and it is of such magnitude that the cash credits of the European governments are being fast depleted. Lately we have been urged by manufacturers who are customers of the bank and, in some cases, by representatives of the foreign governments, to provide temporary credits for these purchases. For that purpose we have recently arranged to advance the Norwegian Government some three million dollars, practically all of which is to be expended for cereals in this country. Very recently the Russian Government has placed directly, and through agents, large orders with American manufacturers—such large orders that their cash credit has been absorbed and they have asked us to allow an overdraft, secured by gold deposited in their state bank, of some five million dollars.

"Some of our clients have been asked to take short time Treasury warrants of the French Government in payment for goods and have, in turn, asked us if we could discount them or purchase warrants direct from the French Government for the purpose of replenishing their cash balances. We have also been asked by European interests practically the same question as to English Consols and Treasury securities. Some of our German correspondents have approached us with the suggestion that, without naming a particular security, we sell securities to increase their cash account with us, and we have little doubt this is indirectly for the purposes of the German Government.

"We strongly feel the necessity of aiding the situation by temporary credits of this sort, otherwise the buying power of these foreign purchasers will dry up and the business will go to Australia, Canada, Argentine and elsewhere. It may in the end come back to us, but the critical time for American finance in our International relations is during the next three or four months and, if we allow these purchases to go elsewhere, we will have neglected our foreign trade at the time of our greatest need and greatest opportunity.

"It is the desire of the National City Bank to be absolutely in accord with the policies of our own Government, both in its legal position and in the spirit of its operations and, while very anxious to stimulate our foreign trade, we do not wish to, in any respect, act otherwise than in complete accord with the policy of our Government.

"For the purpose of enabling them to make cash payments for American goods, the Bank is disposed to grant short time banking credits to European governments, both belligerent and neutral, and where necessary or desirable replenish their cash balances on this side by the purchase of short time Treasury warrants. Such purchases would necessarily be limited to the legal capacity of the bank and, as these warrants are bearer warrants without interest, they could not and would not be made the subject of a public issue. These securities could be sold abroad or be readily available as collateral in our foreign exchange.

"This business which I have attempted to describe to you, we deem necessary to the general good and we desire to proceed along the lines indicated unless it is objectionable from the Government's standpoint, in which case we assume that you will advise us."

Very respectfully yours,

—Samuel McRoberts

Numerous marginal and interlinear notations on this letter in Mr. Lansing's hand indicate that it was used as a basis in the preparation of the memorandum accompanying his letter of October 23, 1914, to President Wilson, infra.

* * *

Lansing Speaks Good Word for Bankers

"851.51/167a

"The Acting Secretary of State to President Wilson

"Washington, October 23, 1914

"Dear Mr. President: I spoke to you the other day about a conversation I had with a representative of certain banking interests in New York regarding the use of Treasury notes of the French Republic in this country in payment for purchases by that Government. Since then I have had conversations with representatives of other banking interests in New York, which relate to a similar type of loan to Russia as well as to France. You will also recall that this same subject was dealt with in a memorandum handed me by the Russian Ambassador a few days ago, which you returned with an oral explanation as to the attitude of this Government.

"I have gone over the matter pretty carefully with these gentlemen and without comment submit in a memorandum, for your consideration, what I consider to be their views in regard to the situation. I have told them that I could make no statement until I had laid the matter before you. They naturally are anxious to know as soon as possible what your views are.

"I should hesitate to ask your direction in this matter, were it not for the fact that there is evidence of a desire on the part of these institutions to do nothing which would in any way embarrass the Government or go contrary to your wishes, even if the law permitted them to do so."

Very sincerely yours,

—Robert Lansing

(Enclosure—Memorandum)

* * *

State Department Memo Quotes Bank's Letter

"Summary of Information in Regard to Credits of Foreign Governments in This Country and the Relation to Trade

"The outbreak of the European war came at a time when this country owed a large amount to Europe, particularly to England in the form of short time drafts, maturing between the outbreak of the war and the end of the year. The amount, while large, was not abnormal, considering the volume of our trade relations and was directly due to the anticipated shipment of cotton during the autumn.

"War conditions have made cotton bills unavailable for the settlement of this balance against us and it can only be wiped out by the shipment of the goods, in lieu of the cotton, that are now needed and desired by the various European countries. This is true, regardless of any temporary bridging over of the situation, and it has been the policy of the financial institutions in New York, as far as possible and proper, to stimulate the unprecedented and unusual buying by foreign governments and their nationals that is now going on in this country. Since the beginning of the war I am informed that one bank alone has received cabled instructions for the payment of more than $50-million for American goods and that the volume of this business is increasing. Owing to war conditions, this buying is necessarily for cash and it is of such magnitude that the cash credits of the European governments are being fast depleted. Lately it has been urged by certain manufacturers and by representatives of some of the foreign governments, that the banks should provide temporary credits for these purchases. Recently the Norwegian Government arranged an advance of some three million dollars, practically all of which is to be expended for cereals in this country. Very recently the Russian Government, it is stated, has placed directly, and through agents, large orders with American manufacturers — orders so large that their cash credit has been absorbed and they have sought to obtain overdrafts, secured by gold deposited in their state bank, of some five million dollars.

"Some of the manufacturers have been asked to take short time Treasury warrants of the French Government in payment for goods and have, in turn, asked the banks if they could discount them or could purchase warrants direct from the French Government for the purpose of replenishing their cash balances. The same question has been asked as to English Consols and Treasury securities, while some of the banks have been approached by German correspondents with the suggestion that, without naming a particular security, the banks sell securities to increase their cash account in America.

"The representatives of the banks state that they feel the necessity of aiding the situation by temporary credits of this sort, otherwise the buying power of these foreign purchasers will dry up and the business will go to Australia, Canada, Argentine and elsewhere. They say that it may in the end come back to the United States but that, in their opinion, the critical time for American finance in our International relations is during the next three or four months and, if we allow these purchases to go elsewhere, we will have neglected our foreign trade at the time of our greatest need and greatest opportunity.

"It seems to be the desire of the banks to be absolutely in accord with the policies of this Government, both in its legal position and in the spirit of its operations and, while very anxious to stimulate our foreign trade, they do not wish to, in any respect, act otherwise than in complete accord with the policy of the Government.

"For the purpose of enabling European Governments to make cash payments for American goods, it is suggested to grant to them short time banking credits, to both belligerent and neutral governments, and where necessary or desirable, replenish their cash balances on this side by the purchase of short time Treasury warrants. Such purchases would necessarily be limited to the legal capacity of the particular bank and, as these warrants are bearer warrants without interest, they could not and would not be made the subject of a public issue. These securities could be sold abroad or be readily available as collateral in foreign loans and would be paid at maturity in dollars or equivalent in foreign exchange."

—Robert Lansing

(Washington), October 23, 1914.

* * *

Records President's Opinion on Loans

"763.72111/630½

"Memorandum by the Acting Secretary of State of a Conversation with President Wilson, October 23, 1914, 8:30 p.m.

(Washington,) October 23, 1914—9:30 p.m.

"From my conversation with the President I gathered the following impressions as to his views concerning bank credits of belligerent governments in contradistinction to a public loan floated in this country.

"There is a decided difference between an issue of government bonds, which are sold in open market to investors, and an arrangement for easy exchange in meeting debts incurred in trade between a government and American merchants.

"The sale of bonds draws gold from the American people. The purchasers of bonds are loaning their savings to the belligerent government, and are, in fact, financing the war.

"The acceptance of Treasury notes or other evidences of debt in payment for articles purchased in this country is merely a means or facilitating trade by system of credits which will avoid the clumsy and impractical method of cash payments. As trade with belligerents is legitimate and proper it is desirable that obstacles, such an (as?) interference wit' an arrangement of credits or easy method of exchange, should be removed.

"The question of an arrangement of this sort ought not to be submitted to this Government for its opinion, since it has given its views on loans in general, although an arrangement as to credits has to do with a commercial debt rather than with a loan of money.

"The above are my individual impressions of the conversation with the President, who authorized me to give them to such persons as were entitled to hear them, upon the express understanding that they were my own impressions and that I had no authority to speak for the President or the Government."

—Robert Lansing

"Substance of above conveyed to Willard Straight at Metropolitan Club, 8: p.m., October 24, 1914.

R. L.

"Substance of above conveyed to R. L. Farnham at the Department, 10:30 a.m., October 26, 1914."

R. L.

Mr. Farnham was the representative of the National City Bank.

* * *

Bankers Give Notice of Loan to France

"851.51/30

"J. P. Morgan and Company, the National City Bank, and the First National Bank of New York to the Secretary of State

"New York, March 25, 1915

"Dear Sir: The French Government, finding themselves under very great expense for transferring funds from France to America owing to the position of exchange, consider it necessary to obtain temporary credit in this country to meet their obligations for American products and continue their purchases in this country.

"We beg to advise you, therefore, that we are arranging to place for them some $50-million One-Year Treasury Notes, the proceeds of which are to be expended in this country."

Very truly yours,

J. P. Morgan and Co.

The National City Bank
by F. A. Vanderlip

First National Bank
F. L. Hine, Pres.

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Let Europe Pay War Debts

Minnesota Senator Suggests Caribbean Islands as Part Payment by England and France

By U.S. SENATOR ERNEST LUNDEEN
Chairman "Make Europe Pay War Debts" Committee

AGAIN, the hue and cry is raised that the United States set itself up as the creditor of all Europe.

What of the $14½-billion Europe owes us today? Our 10-million unemployed have a right to know how our efforts to finance Europe have dissipated the resources of their country. Our ill-housed, ill-fed, and ill-clothed have a right to ask why all these foreign loans to foreign nations.

Why not food and jobs for Americans?

The transient farmer who moves his pitiful family about the country trying to find work; the men and boys, women and children forced onto the breadline, demand that their Government put their interest first. W.P.A. families have been thrown off relief, are forced to depend on the allotment of 1½ cents per meal per person from the Federal Surplus Commodities Corporation. They demand an answer of the Government whose money flows so readily to Europe.

This Government has waited and negotiated for 22 years, seeking a substantial payment from defaulting foreign countries already in debt to us. For 22 years, the answer has been continued evasion and repeated attempts at cancellation!

Great Britain borrowed from the United States more than $4-billion. Has Great Britain paid that debt? NO!

France borrowed $3,404,818,945.00; Italy borrowed $1,648,034,050. Have they paid? NO!

And 17 other countries received similar loans.

Americans Paying War Debt Interest

The interest the United States Government has asked on these loans is of great importance to the American people. In direct violation of an *Act of Congress,* which provided that these loans to foreign countries were to be funded at 4-1/6 per cent interest, our "world savers" asked interest rates ranging from 3-1/3 per cent to ½ of 1 per cent! From Great Britain, on whose empire "the sun never sets," an empire which controls 57 per cent of the gold production of the world, these statesmen asked 3.3 per cent interest over a period of 62 years; while Americans still pay 4-1/6 per cent interest on these British war bonds!

From France they asked an average of 1.6 per cent interest over 62 years. Poor France! The French empire, strange to say, has 1,091,749 square miles more territory than the United States.

From Italy—whose country at this time knows no unemployment, and whose people enjoy an increasing standard of living—from that country the United States asks an average interest rate of less than 1/8 of 1 per cent for the first ten years and an average of .4 per cent over 62 years. While the overburdened American taxpayer struggles to pay 4-1/6 per cent on these very bonds.

The American people have financed these empires. We have built them up with our own money: Mussolini's Italy, Chamberlain's England, and the French empire.

How Long Shall Europe Be Preferred?

No American can borrow money from any bank or Government agency at 1/8 of 1 per cent interest. The problem of home building at 1/8 of 1 per cent would swell the chorus of the hammer and saw all over this great land. It would solve our housing problem over night. But we don't lend to Americans at that rate of interest. Americans are out of luck. British and French are preferred—Americans come last.

How long, Uncle Sam, how long?

For 22 years, these foreign countries, owing us billions of dollars, have branded Uncle Sam a "Shylock"! They have propagandized our people until some so-called Americans have become more pro-French, more pro-British, more pro-Italian than the British, French and Italians themselves. Our people are blind to this daylight robbery by foreign countries at the expense of Americans.

There are some, at present, crusading for Europe when they should be trying to clothe our own destitute cold and hungry.

We have 8-million sharecroppers in the South trying to wrest a bare living out of the soil. They live in absolute poverty. Of them, Secretary Wallace once said: "I have never seen among the peasantry of Europe so abject as they which exist in the great cotton states." That is in America!

There is no "evasion" or "cancellation" for them. These families of the South are bodily removed from their dilapidated shelters in mid-Winter and turned out on the highways to find what they may in the bitter cold. They can't pay their debts. Groups now begging for funds for European empires never pass the hat nor donate a dollar to the *peons* and peasants and economic slaves in the United States of America.

This perverted sense of sympathy, which places foreigners before Americans, is ruining our country.

For Europe the cry is cancellation. The average American does not know that the United States has already cancelled 20 per cent of the British debt, 50 per cent of the French debt, and 75 per cent of the Italian debt. Our poor tenant farmers and sharecroppers, our unemployed need the immediate attention of Uncle Sam right here in the United States.

War Debt Issue Deliberately Confused

The issue of foreign war debts has been deliberately confused to befog the minds of the American people. If the farmer, the laborer, or millions of unemployed knew that they were to this day paying 4-1/6 per cent interest on old European war bonds, they would rise and demand that this Government account for 22 years of un-American activity. They would tear this sham of cancellation propaganda from the eyes of the American public and demand payment from these foreign countries who have evaded their debts to the United States.

These were not only banker's loans, as I have heard collegiate debaters contend. Every American contributed to these loans through the *Liberty Bond* issues. After the war, these bonds were purchased from us, and if our Government is not repaid by these foreign countries, you and I will have to pay the war debts in taxes, and we are paying them, and we are paying them now.

If the average American knew that the United States would be out billions of dollars and more, even if these foreign countries paid every cent as required under the funding agreements, *perhaps we would have enough Americanism left in us to demand to know why our Government funded and financed Europe.*

If We Cancel, We Pay Europe's Bill

Another evasion-of-debts propaganda is that we should "wipe the slate clean" and call our loans to these European empires our "contribution" to the last war. We *sent our boys to die for them!* We paid England and France for transporting our troops, and we paid for all supplies furnished our troops in France. In wiping out the debt, we would not only be paying our part of the World War, but we would also be paying that of England, France, Italy and 17 other foreign countries.

Our greatest debtors have made no attempt to pay. England was able to give Turkey an outright gift of $240-million in October, 1939. Since that time, England and France made another $340-million loan to bolster Turkish defense.

I do not question their political right to do that: *I question their constant excuses of not being able to pay us.*

Caribbean Islands for Part Payment

Billions are being spent for United States defense. Military authorities readily agree that the Caribbean Islands would form our Maginot Line, making the Canal Zone invulnerable and adding absolute protection to our entire coastline—East and West. In addition to increased appropriations for more locks at the Panama, our Government should negotiate for the acquistion of the Caribbean Islands, which the British and French now hold. Let these islands be a part payment of their "deadbeat debts." Andrew Jackson, the great Democrat revered in history, advocated that policy when he said:

"It is a well-settled principle of the international code, that where one nation owes another a liquidated debt which it refuses to pay, the aggrieved party may seize the property belonging to the other, its citizens or subjects, sufficient to pay the debt, without giving just cause for war."

America has carried Europe on its back these 22 years. The unemployed ask:

"How long, Uncle Sam, how long?"

Ewing Galloway

There is no evasion or cancellation of debt for evicted Okies unable to pay. Must this privilege be reserved for foreign empires at war?

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Part VIII in Guild Series

The Artist Guilds of Italy

World's Famous Treasures in Religious Painting and Sculpture Are Products of Guild System of Apprenticeship and Education

By **LOUIS B. WARD**
Editorial Director of SOCIAL JUSTICE

"EVERY ART AND TRADE in Venice down to that of the sausage maker was erected into a guild." The author of that statement could have substituted practically any Italian city in place of the Republic of Venice.

In the Middle Ages, the source book of the guilds in Italy is not to be found in law or charters, nor is it to be found in the minutes of the meetings of the guilds themselves. The true story of the guilds in Italy is rather to be found in every Church of the Middle Ages, in every great convent, in architecture, sculpture, oil painting, fresco, mosaic and enamel from the master painters and sculptors of all time, practically every one of whom was in childhood an apprentice in the workshop of a master artist.

There is no guild story in the world to equal that of Italy. In England and in France, as in most other countries in the world, an opulent middle class of merchants or of artisans were followed by their sons, generally born to the same trade and following their father's vocation. But the medieval guilds of Italy welcomed to their workshops the poor, the orphans and the forlorn characters of the streets, assuming a guardianship over them and teaching them those lessons which lifted the level of artistic production to the highest in the history of mankind.

Master Artists Took Apprentices Off Street

Instance after instance appears where a shepherd boy, the son of a mason, the child of a quarryman, the offspring of a mulester, or the tailor's child, under the apprenticeship in Italy, rose to immortal fame as the greatest painters of all time. Drawn by their masters into the guild system, they learned the trade secrets through a corporate body pledged to ideals.

Those groups offered competitions in design and in execution to the apprentices who found endless opportunity in stained glass window, mural, or altar on which to vent their genius in glass, in oil, or in stone.

Twelve examples from the lives of the world's greatest artists will be used to illustrate the contribution of the medieval guild to Italy and to the ages. It is our contention that a God-given gift of genius was the possession of each of these men. It is likewise our contention that there was not a chance in the world for that genius to have become operative in the instances enumerated except that the master artisans of Italy accepted the child as an apprentice whether he had a family fortune or not a penny.

The instrumentality, therefore, by which the individual's gift of art was given humanity was the guild.

It was not the State, for there was no Italian State as we picture it today. It was not the City State such as the Republic of Venice or the Commune of Florence. It was an institution known as the guild which was represented as a corporate body of craftsmen who worked in textiles, in leather, in wood, in the staining of glass, and in sculpture. This guild system was perhaps the most democratic institution, aside from the Church itself, that ever existed, and it was the guild system of Italy that passed on to us the priceless heritage of art.

Teachings of St. Francis in Art of Byzantines

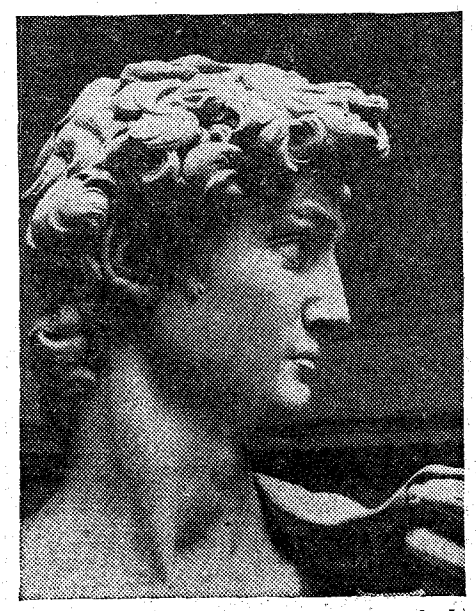
In the middle of the Thirteenth Century, Italy followed the Byzantine school, copying its craftsmen in the frozen art of that far off day. **Cimabue** watched the Byzantine artists who had been imported to paint, in their changeless symbolism, the walls of the Convent of Santa Maria Novella.

Cimabue as a child drank in the living teachings of Francis of Assisi. He borrowed the mechanics of Byzantium and breathed into his paintings the virility, the life and the actions of Christ, the Blessed Virgin and the Saints as he understood them from the teachings of the Poor Man of Assisi.

His painting of the Virgin was perhaps the first popular painting of a religious subject; popular to the extent that it was carried through the streets and termed the first painting for the people.

Trained Shepherd's Boy to Carry On Career

Cimabue found a little lad tending sheep and sketching at the same time. The lad was *Giotto di Bondoni.* Giotto became an apprentice under the master, Cimabue.



Profile view of the head of Michelangelo's famous statue of "David," hewen when the sculptor was in his 20's.

This is an example of a shepherd's son taken from the hillsides and placed under the tutelage of a master in a new day of art.

Giotto worked as an apprentice. He ground colors. He sketched. He set mosiacs. He coated panels. He enameled. He painted in fresco on fresh wet plaster by applying pigment mixed with the yoke of an egg.

He was soon called upon by the master to fill in certain composition at the Church of St. Francis of Assisi. He then contributed thirty-two frescos at Assisi and, upon completion, found himself the most famous artist of Italy.

The Pope called him to contribute to the decoration of St. Peter's. He traveled and worked throughout Italy. From Padua came the greatest commission. He was invited to make a "Picture Book of the Saints" which he did on the church walls of Padua's greatest church.

Long since he was training his own apprentices. From early childhood he worked until he was over 70 years of age.

"Madonna" by Fra Angelico. This photograph and others on these pages by Ewing Galloway, New York.

Penniless Orphan Apprenticed to Painter

In the beginning of the Fifteenth Century a child was left a penniless orphan at the age of 2 years. What chance in the modern world has such a child? The answer is, practically none.

This child was the son of a butcher. He was early apprenticed to Lorenzo Monaco. Under that apprenticeship he practiced so remarkably that at 17 he was a master painter.

His name comes down through the centuries—**Fra Filippo Lippi.**

Botticelli Another Orphan Apprentice

Sandro Botticelli was one more example of a lad orphaned in childhood. He was christened Alessandro Filipepi. The Alessandro was shortened to Sandro and whether the "Botticelli" remains as his nickname, "The Little Barrel," or whether he assumed the name of his master is a moot question.

In early childhood he was apprenticed to a goldsmith, named Botticello, and later placed under the patronage of Lorenzo de' Medici, and still later to a great master previously mentioned, Fra Filippo Lippi.

The shepherd boy, Giotto, the butcher's son, Fra Filippo Lippi and Sandro, the orphan, were to become, under the guild system, numbered among the master artists of all time.

In the middle of the Fifteenth Century, **Ghirlandajo,** christened Domenico Ghirlandajo, was born, the son of a Florentine garland maker, Tommaso, who originated the art of designing golden garlands for the hair of the Florentine girls. Apprenticed to his father, it was not long before he showed his ability. In youth this artist was given the commission to paint the principal chapel of Santa Maria Novella.

Such was his zest for painting that he is said to have made the statement: "I would have you students take any commission that comes into our *bottega,* if it is only the hoops for women's petticoat panniers, and if you will not paint them, then will I myself do them."

Leonardo Da Vinci of Well-to-Do Parentage

The year that Columbus was sailing to America **Leonardo Da Vinci** was born. Da Vinci spent his first years on his grandfather's farm. He was then brought in to his father's townhouse. This was the first great example of an Italian artist drawn from a home of opulence.

He was apprenticed to Verrocchio when he was 13 years of age and served a twelve-year apprenticeship.

He is recognized, of course, as the greatest painter of the world and he was, perhaps, an apprentice for the longest time of any artist of Italy.

Those years were not merely given to art. Yet the art remains while his inventions and discoveries constitute the most varied, consequential accomplishments of which a human mind may boast.

Lorenzo Di Credi served an apprenticeship under Verrocchio, under Da Vinci and under Perugino. When Verrocchio left to carve his immortal contributions at Venice, he placed Lorenzo in charge of his shop.

The story of Lorenzo illustrates a great point with respect to the Italian guilds. Verrocchio, the master, taught him very little. What he learned, he learned mainly from his fellow apprentices, Da Vinci and Perugino.

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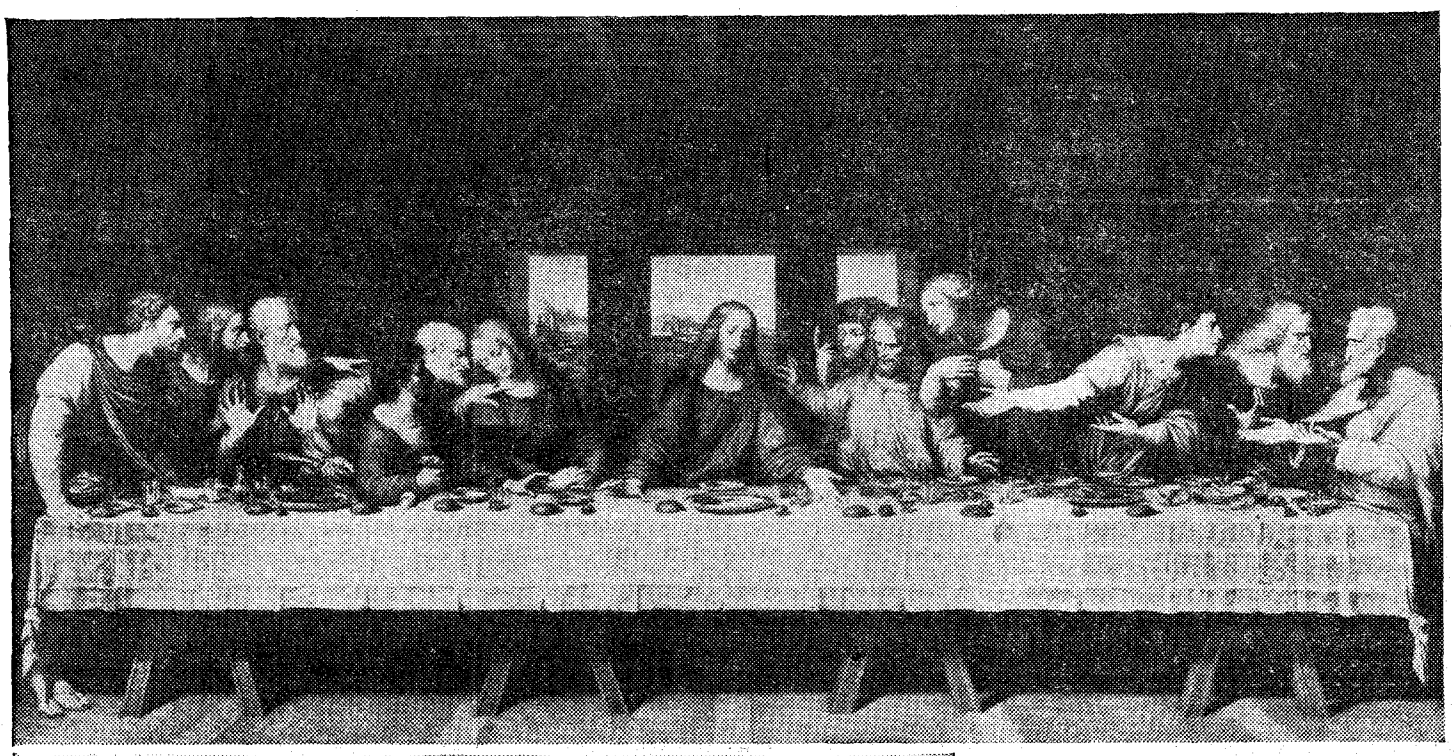


"*The Last Supper*" by Leonardo da Vinci (above) and Boeticelli's famous "*Madonna and Child*" (left) are among the glories of the art guilds of Italy, which made Florence famous for all time as a capital of culture.

Michelangelo Famed as Sculptor and Painter

Michelangelo was born in 1475, a native son of Florence and of a noble family. Because he was a sickly child, he was nursed by a stonecutter's wife who reared him.

Given an opportunity by his family to join the merchandising guild and set himself up in the silk and woolen business, he refused the opportunity of money-making, and chose, rather, to study under a noted scholar of the day, Francesco. Later he apprenticed himself to Ghirlandajo for three years. He invited the jealousy of the master as he improved the master's drawings, and Ghirlandajo was happy at the opportunity of turning him out of the workshop at the request of the great art patron, Lorenzo de' Medici, who was seeking young artists to paint the frescos of his villa.

At 18, on the occasion of the death of his patron, he returned to Florence. At 21 he carved the great statue that shows the Virgin holding the dead Christ in her arms. The French Ambassador at Rome paid 450 ducats for that statue.

At 29 Michelangelo had carved his colossal statue of David.

By the time he was 37, he had completed painting 10,000 square feet of the ceiling of the Sistine chapel in Rome. In that painting there were approximately 750 figures, 10 to 18 feet in height. He turned immediately to sculpture and carved his world-famous *Moses* with the *Two Captive Slaves* for the tomb of Pope Julius.

He worked for four years in the quarry at Carrarra to obtain the stone for the monument of Leo X. He then carved the four statues, *Day, Night, Dawn* and *Twilight.*

Then he gave eight great years to the painting of the *Last Judgment* in the Sistine Chapel.

Michelangelo continuously painted for the last twenty years of his life.

If the guild system of Italy had produced him alone, it would have justified its existence.

Teacher of Raphael Was Gutter Waif

Pietro Perugino was another example of the guild systems contribution to civilization. Born in destitute poverty, he was sleeping in the alleys of Florence when Verrocchio found him and welcomed him as a child apprentice in his workshop.

The day came when he became the master painter who was to welcome Raphael to his shop.

Raphael Santi was the son of an artist and poet. At 11 he was apprenticed to his first master and at 16 he was sent to Perugino in Perugia.

Perugino looked at his work and is said to have remarked: "Let him be my pupil. He will soon be my master."

Raphael's Madonnas World Famous

Under Perugino he studied for five years. Then at Florence for four years. At 21 he painted the *Marriage of the Virgin* and at 25 he was called to Rome by Pope Julius II.

At Rome he set himself up as a master with 50 apprentices. In this workshop, or *bottega*, all the fine arts were practiced under the eye of Raphael. Enameling, mosaic, architecture, sculpture, painting in oil, sketching and cartoon studies or outlines to be filled in by others were workshop jobs.

Raphael became the architect of St. Peter's, keeper of classical art at the Vatican. Under Leo X he wrote *Raphael's Bible* which attempts the entire story of human knowledge on the ceiling of the Stanze della Segnature, the papal signature room.

At 33 he completed this work and then produced his *Madonna of the Chair.* At 34 he produced the *Sistine Madonna* at the monastery San Sisto at Piacenza. At 36 he created his masterpiece in his last work, *The Transfiguration.*

Son of Mule Driver Art Apprentice at 9

Fra Bartolommeo represents another instance in the contribution of the guilds. Here was the example of a son of a mule driver apprenticed at 9 years of age to Roselli's studio.

At 15 he was forced to support his family and at 28 he entered the Dominican Order. His *Holy Family* places him close in genius to Da Vinci.

Andrea Del Sarto, the "Tailor's Andrew," was apprenticed to a goldsmith at the age of 7.

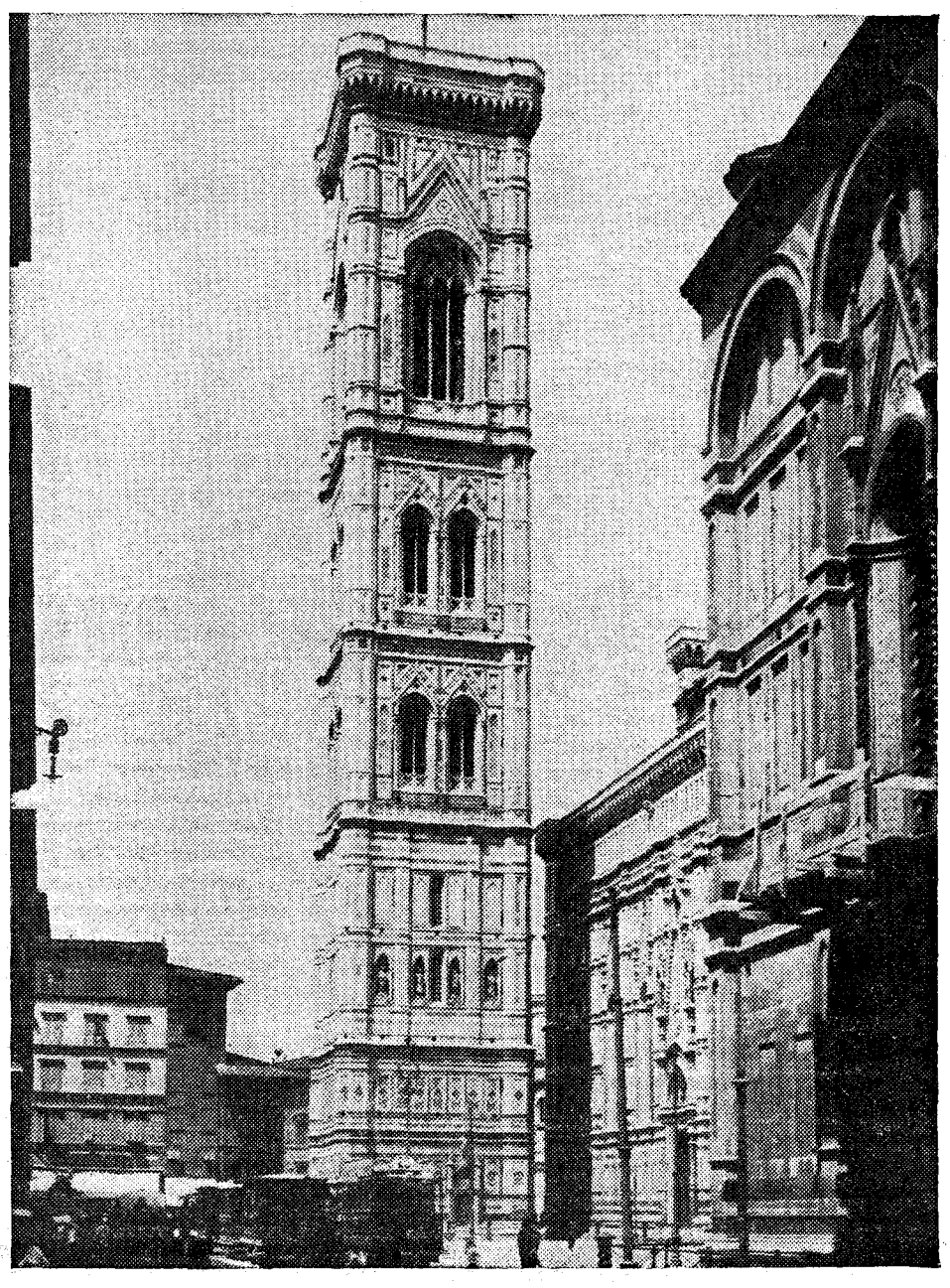
Later he studied under an insignificant local artist and following this experience was apprenticed for 5 years to Piero de Cosimo, the best artist in Florence at the time. At 22 he executed his first important frescos.

Finally we select the example of **Jacopo Bellini,** the son of a plumber, and apprenticed to the Florentine master, Gentile da Fabriano. His most famous work was *The Madonna.*

Art Guilds of Italy an Educational System

Twelve names have been selected to illustrate the true contribution of the medieval guild, not among the craftsmen or the merchants, but rather from the standpoint of an educational system which took little children at the tender ages of 5 and 7 and 9 years and developed them in an amazingly short time to the point where they became the immortal artists of our civilization.

Here, in Italy, the master thus fostered the inate gifts that God gives children. That the lost "Master and Apprentice" system can be reclaimed is evident by the simplicity of its principles, the study of its formula and, above all, the fundamental fact that God is still generous with his gifts. It remains for us to use them.



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An Analysis of Interest

Writer Studies Effect on Nation of Interest Charged for Fiction of 'Giving Up Profit'

By **REV. JAMES McSHANE**
St. Mary's College, St. Marys, Kansas

SOCIAL JUSTICE herewith presents an excellent modern contribution on interest and usury by the Rev. James McShane. Because of space limitations, Father McShane's article will be presented in two instalments, a second article appearing next week.

In His Recent articles Mr. Louis B. Ward has given us a fine historical survey of the Church's teaching on usury. We are all pretty familiar now with the fact that laws in the thirteenth century forbidding interest were very strict. The dire need of poor men and small shop owners was to a great extent the basis of these laws. We find in "*The Church and Usury*" by Cleary, and also in the first issue of *Medieval Studies* published by the Medieval Institute of Toronto, that practically all kinds of interest on loans were forbidden. As time went on this teaching was only very gradually relaxed. Hundreds of years passed before lenders were allowed to charge interest on the claim that they were "giving up profit" by making the loan.

In this paper I wish to take for granted that there is a special need for interest-free loans for the poor man and small producer who is in dire need. One foundation in New York lends without interest to the needy about $1-million a year—and receives the money without loss from the borrowers. Credit unions should be established everywhere. In one city alone, 600,000 school children have pooled savings amounting to $25-million. Means must be found to help those who are in want. Entirely aside from any principles concerning interest and usury, the poor in grave need have a right to loans and even outright gifts to relieve their necessity. Taking that for granted, I wish to discuss the need of a whole nation rather than individual need, the common good rather than the good of one individual.

All, or practically all, the medieval writers before St. Thomas rejected the claim of *lucrum cessans* (foregoing profit) as a claim to interest on loans. That is the only claim to be discussed in this paper. One result of restrictions on the claim of "foregoing profit" is to be treated; namely, the effect on a nation as a whole. The Church has always allowed a silent partner to share in profits. Is there any sense, then, in refusing to allow a lender 5 per cent interest as compensation for giving up 5 per cent profit? It seems to me that a great danger lies in the claim "foregoing profit," and that we can see that danger if we first of all study the ideas of some great theologians on that subject.

Partner Does Not Have a Lender's Recourse

In the thirteenth century, St. Thomas made a sharp distinction between a man who lends and a man who is a silent in a profitable enterprise. The chief difference lies in this: the lender's contract is like a mortgage. By the loan contract the lender can have property of the borrower sold until the principal is repaid. So it is with a mortgage on a house; if the borrower has no money, the lender can have the house sold. If that does not satisfy the debt, the lender can have other property of the borrower sold until the debt is satisfied. A partner does not have that right; if the firm in which he has a share has no assets, he can recover nothing.

In 1544, Father Laynez held the same fundamental ideas about loans, and set down the injuries to the public good caused by excessive interest: "It hinders business and trade. Business promotes the common good since it keeps many producers and many wage-earners busy with their wares. Business helps rulers, for it pays taxes; business aids the outlying districts since it bring them goods in abundance or money for their products. Usurious lending destroys these benefits, keeps few wage-earners busy and fewer producers, and because it harms all, profits none. Such lending is a cause of dire poverty since the usurious lender doesn't want to lend to poor folk who cultivate the land, so that as a result often the fields lie untilled; and also because the producers and merchants who borrow the money sell their wares at higher prices." (Chap. 8 *De Usura Variisque Contractibus*)

Dispossession Paves Way for Revolution

Those words were written nearly 400 years ago; is there anyone who fails to see modern parallels?

Father Laynez goes on to say that property is sold to satisfy debts, and as property is transferred from the poor to the rich, the inevitable class conflict breaks out. The dispossessed rise against those who own property. We remember that in 1931 Pope Pius XI said that revolution would follow from such conditions; 30 days after his warning one of Europe's most disastrous revolutions began—in a country where 1 per cent of the people held 50 per cent of the land.

No one is surprised when Father Laynez makes the point that heavy burdens on the working people cut down their buying power and thus slow down business. We are more surprised when he points to high interest on loans to business as raising the price level with the result that business is impeded. We know that the good father was not unacquainted with business practice. Business in his Genoa was not as different from our own as we might at first think. Shipping on the new trade routes and the mining of American gold were the chief enterprises. "Bankers and company promoters abounded;" that is, corporations were chartered and investment funds were pooled. When Father Laynez gave his sermons on commercial contracts—and lending in particular—the city was in a turmoil; civil authorities obliged all merchants to submit their books for theological revision. This is related in the life of St. Peter Canisius by Brodrick.

Father Laynez thought that strict prohibitions against certain interest charges were as necessary in his day as they had ever been. To get his point of view, examine first the ancient right to partner's PROFITS. The old principle "the owner of a tree owns its fruit" had always been applied. It is a fundamental principle in any economic system. The application of it prevents a world of hardship. When the tree bears no fruit the owner can't expect to get any fruit from that particular tree. That is the rule as to partner's profits: when an enterprise makes no profit the man who is part-owner cannot share in any profits. In case he uses a club—economic or otherwise—to get an income out of the business which cannot afford to pay him an income, he is acting against the common good.

If No Profits; Partners Must Wait

You readily see how this works out. In a certain year, we shall suppose, a railroad makes a gross profit over expenses of $60-million. Although the $60-million should be spent for badly needed rails, cars and Diesel engines, it cannot be spent. The money has to be paid to bondholders. The bondholders at this particular time are very cautious about making new investments. The $60-million, therefore, get into circulation only very slowly. This "slowing" down process seems to be very bad for business and employment. Equity financing would have been much better. That is, had the railroad obtained its funds from stockholders instead of bondholders, the stockholders would have had to wait. The money would have been spent immediately for needed supplies. That shows how the principle of St. Thomas applies: When the company cannot afford to pay dividends, partners have to wait.

In the time of St. Thomas the claims of a lender were severely limited. The claim of compensation for *actual* loss was allowed, but not for *lucrum cessans*. ("I could have made a profit; pay me the profit I *might* have made.")

In the opinion of the present writer there is a great danger in allowing the claim "I could have made a profit." Imagine that a Mr. Smith goes into partnership with his friend Brown; their business prospers and they share profits. Later on, Mr. Jones lends money to his friend Black. He says, "I could have gone into partnership with Brown; I could have bought a share of that business and made a 5 per cent profit; pay me 5 per cent interest to compensate for that loss." Jones is not the only lender; five other lenders say the same thing to their borrowers.

Has Far-Reaching Affect on Nation

It seems that the claim "foregoing profit" allows a claim to a possible profit on the part of the lender, and not one which he has earned in actuality; it is a conditional possible profit, at that. "On the condition that I bought part ownership in the business run by Brown, my money having been spent and circulated through the economic system to create new business, I could have had a 5 per cent profit."

Since this claim looks to a possible profit, five lenders, or any number of lenders, can look to one profitable firm, saying "that firm is earning a profit; I could earn 5 per cent by owning a share in that firm; therefore, pay me 5 per cent on this loan." Suppose that for every firm earning $5, five firms have to pay $5 on loans; that means lenders are receiving more money than is earned by business, and income is concentrated in the hands of the lenders.

You may counter that "competition among lenders looking for a chance to invest prevents such concentration." You must prove that there is effective competition when 1 per cent of the banks have 50 per cent of the funds; especially when borrowers seem to be in greater need than the lenders.

Under the partnership system, business and trade in a nation can go on expanding indefinitely, and the share of partners must always remain less than the total gross profit made in the nation. It seems to me that the title to interest, "foregoing profit" has no such limitation. It allows interest takers to charge more than the total gross profit (over expenses) of the nation's business. Very few realize this in a time of tremendous economic expansion; for instance in 1500 or 1900. When we have reached a more mature or static state of business, as we have today, the danger of the charge for "foregoing profit" is more evident.

We have more than 300,000 corporations in this country; the number of other enterprises carries the total far higher. The bulk of the profit made in a year—80 per cent of it—goes to a tiny fraction of the firms in business—actually to 1,350 of them. Those are the conservative figures of E. D. Kennedy in his study "*Dividends to Pay.*"

Under present conditions a small number of companies dominate the business of this country as to property owned and controlled, amount of business done, and profit. If a lender claims he can invest his money profitably in business, it would seem that he should prove his claim.

(To be Continued)

EDITOR'S NOTE: Material for Father McShane's interesting article on Usury has been obtained from the following sources, which the interested reader may desire to pursue further:

Grisar—Jacobi Laynez Disputationes Tridentinae; vol. 2, p. 242.

St. Thomas—2a 2ae; qu. 78; 14, esp2, ad primum.

St. Thomas—2a 2ae; qu. 62; 4, ad secundum.

De Lugo—De Justicia et Jure; disp. 25, s. 2, n. 2.

Molina—De Justicia et Jure; disp. 313.

Vermeersch—Theol. Moral. vol. 2, tract 5, n. 449.

Brodrick—St. Peter Canisius; pp. 592, 736, 763.

Jungle Refugee Says He Wrote Hitler's 'Kampf'

(Special to SOCIAL JUSTICE)

SAO PAULO, BRAZIL — Paul Maybach, a Viennese physician, has just come out of the jungle of Matto Grosso with the amazing tale that "*Mein Kampf*" was not written by Fuehrer Hitler but by a German refugee named Peter Lieberknecht.

Maybach said that in a trip to the upper reaches of the Amazon he found Lieberknecht living among the Atches Indians and that the author showed him the "original manuscript" of Hitler's book, plus several letters from the Fuehrer. According to Lieberknecht, who claimed he was once a German newspaper correspondent in Geneva, he wrote the book while Hitler was in jail and all he received for his pains was a sentence to a concentration camp after the Nazi leader came into power.

Lieberknecht's story, as told to Maybach, appeared in the Brazilian newspaper *Diario da Noite*. It is to be regretted that Maybach didn't ask his jungle friend if he also knew the author of "*Stalin's Kampf,*" a book recently published in the United States, purporting to be a collection of the principle writings of the Red Dictator.

Edited by M. R. Werner, "*Stalin's Kampf*" contains the following:

"The moment is not far off," wrote Comrade Stalin, "when a revolutionary crisis will develop in America . . . The American Communist Party should be capable of meeting that historical moment fully prepared."

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The Situation in India

Alliance of Afghanistan and the Mohammedan Nationalists Not as Real a Threat to Britain as Russian Invasion Backed by Germany

By **DR. J. S. BARNES**

European Correspondent for SOCIAL JUSTICE

IN LAST WEEK'S article I stated that the only immediate danger to British rule in India was the possibility of an invasion by Russia, organized by Germany and backed by German motorized artillery, a powerful air force and German technicians.

Such an invasion, though not easy, presents no insuperable technical difficulties. Between the Russian railway on the right bank of the Oxus, which is the boundary line between Russia and Afghanistan, and the Khyber Pass, where the British railway system ends, there is a new road. Half way the road traverses a high mountain pass across the great mountain range (a projection of the Himalayas) that forms the backbone of Afghanistan. This pass could easily be defended, if the Afghans were hostile and received British help in time.

But, in the first place, it is most unlikely that the Afghans would welcome British troops on Afghan soil. In the second place, it would not be difficult by clever diplomacy and bribery to bring Afghanistan in on the side of the invaders. The reason for this is that the traditional enemy of the Afghans is England and because the dream and ambition of every Afghan is to descend into the rich plains of India, to restore the glories of the Mohammedan Empire of the great Moguls, and to create a new State to be composed of Afghanistan, Baluchistan, the North West Frontier Province of India, the Punjab, Kashmir and Sind, with access to the sea at Karachi.

Mohammedans Dream of Restored Empire

This happens also to be the dream of the Indian Nationalists who are Mohammedan. In all the Indian provinces affected by this ambition there is a Mohammedan majority. The whole territory would thus make a compact State capable of soon developing a national status with Urdu as its language. It would be the strongest and most civilized State of all Islam. It would be sufficiently strong to sway the destinies of all India and to protect the Mohammedan minorities and Mohammedan dynasties in other parts of India. It has already been given a name: *"Pakstan,"* the letters P, A, K and S standing for the initial letters of the names of the four most important areas out of which it would be formed, namely, the Punjab, Afghanistan, Kashmir and Sind.

An invasion of India through Afghanistan, which is the classical route taken by Alexander the Great and by all the other invaders of India from time immemorial (no other route is practicable owing to the impassable barrier of the Himalayas)—is dangerous to British rule in India precisely for this reason. It would dampen the ambitions of Islam and unite the Mohammedans of India against Britain.

But before it could do this, it would have to give promise of success—that is, it would have to be undertaken with at least the connivance of the Afghans and carried out swiftly and resolutely with a big display of mechanical strength, particularly in the air. Part of the diplomatic preparations would have to include bribery with gold. A little gold would go a long way to raise the wild mountain tribes of the Indian frontier against Britain, and, as they are adepts at guerilla warfare, they would hold up the British advance and make their communications precarious.

Invasion Not Impossible Feat

Nor would a very large invading army be required. Its success would depend to a great extent on its composition rather than on its numbers. The British and Indian armies in India are not at present in a position to mobilize more than about 60,000 men to defend the frontier. The rest of the 250,000 British and Indian troops in India are required to garrison the country. Moreover, this army, though well officered, well disciplined and well trained, is not equipped to face European armies equipped to the latest modern pattern. The army in India is very inadequately motorized and possesses few heavy guns. The Indian air force is extremely weak. And the majority of the best troops being Mohammedans, a large portion of the army would become of doubtful value once they found themselves fighting against Afghan troops proclaiming a Holy War of Islam and backed by the weight of heavily armed German allies.

If the present war drags on, it is not to be excluded that an invasion of India will be attempted. Meantime, in India itself, the Mohammedan Nationalists (the Mohammedans of India number about 80-million out of a total population of about 380-million) are adopting quite different tactics to those adopted by the Hindus. They despise the Hindu as soft and passive; they hate his religion and are not for the most part prepared to co-operate with the Hindu Nationalists, who would like to see an independent India run on the basis of majority rule. In such an India the Mohammedans would be outnumbered and oppressed. Most of them therefore hold aloof from the Congress Party, though one section of them, led by Abdul Ghaffar Khan (known as the "Mohammedan Gandhi") believes that by co-operating with the Hindu Nationalists it might be possible to expel the British and then to have the soft Hindu at their mercy. But this is reckoning without the intervention of the Hindu warrior nation of Nepal.

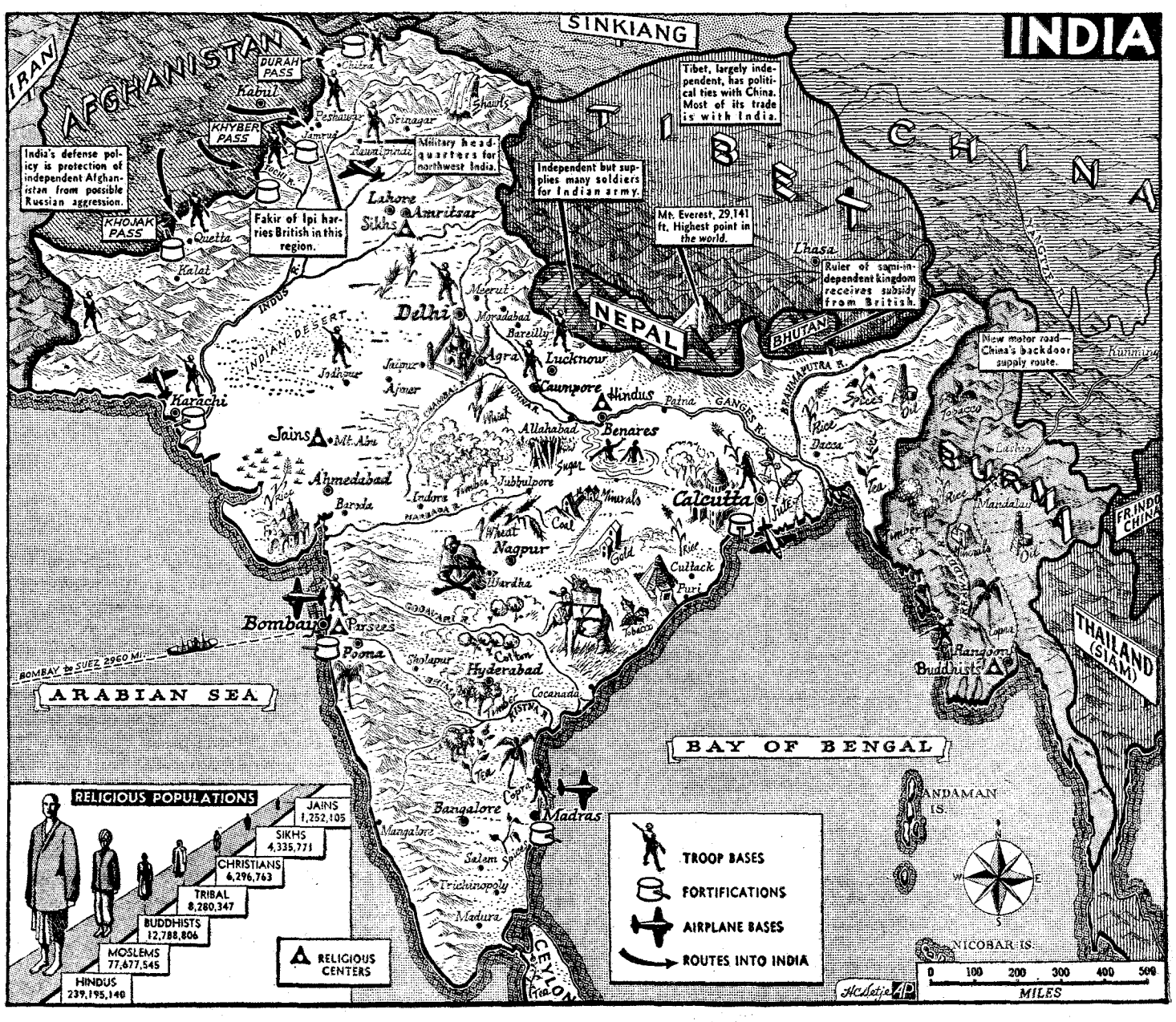
Islam Playing a Double Game

The main body of Mohammedan Nationalists is led by the Lawyer Jinner, whose policy is more realistic and cunning. He realizes that the greatest danger to Mohammedan interests lies in Great Britain remaining in effective control in India but at the same time in the extension of demo-liberal forms of parliamentary government. This would mean, generally speaking, the subjection of the Mohammedan minority to the Hindu majority. But, because the British cannot afford to lose Mohammedan support, he is in a position to blackmail the British into giving the Mohammedans special privileges. Thus the British already have been induced to reserve for Mohammedans one-third of the central government appointments and to "weight" the representation of Mohammedans in all the legislative assemblies where Mohammedans are in the minority. At the same time he encourages propaganda on behalf of the idea of Pakstan and, by means of an efficient central organization, he keeps his followers on the *qui vive* to act as circumstances and opportunity dictate.

Thus it may be said that while the Mohammedans flirt with the British rulers of India, they are ready to betray them at any moment should the well chosen opportunity arise. Because, however, they stand between the British and the Hindu and are distrustful of the imperialist aims of Russia, they, like the Hindus, are unable to adopt an out-and-out anti-British policy.

To conclude: nationalist action in India, whether Hindu or Mohammedan, is shackled and ineffective. If, therefore, British rule is destined shortly to come to an end, it will be due less to the plots and agitation of the Nationalists than to the decay of Britain herself or else to defeat as the result of a successful Russian invasion backed by Germany and connived in by Afghanistan.

Time, however, alone will show whether such an invasion can be organized.



The above map, prepared by the Associated Press, is reproduced from the *New York Sun* of Saturday, April 6. It is a most interesting presentation of the Indian situation, as viewed by the press. Dr. Barnes' discussion of the threat of a Mohammedan alliance makes it even more appropriate. Readers of SOCIAL JUSTICE were warned many months ago to "watch India."

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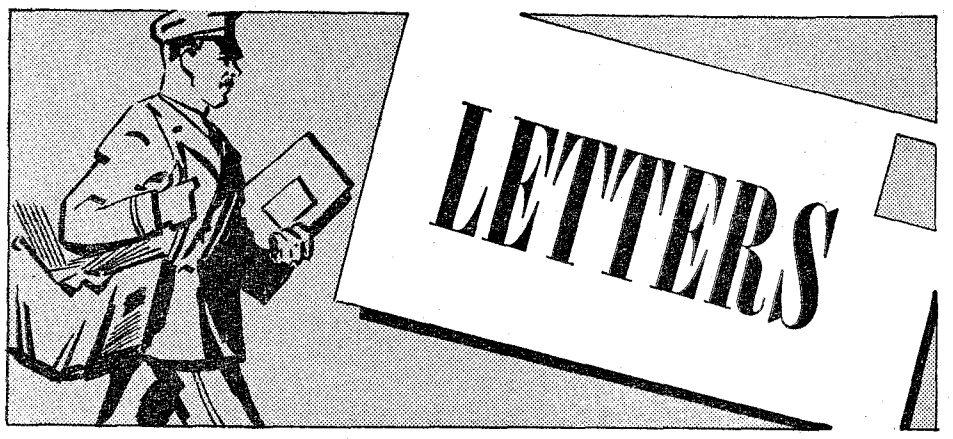

(SOCIAL JUSTICE aims to make this page a free forum and readers' opinions are invited. Naturally, the views expressed are not always those of this magazine. We cannot guarantee that contributions sent to SOCIAL JUSTICE can be returned to the writers. Letters not signed with the writer's name and address cannot be considered, although the name will not necessarily be used. We reserve the right to publish all letters received unless contrary instruction is specifically given.)

War 'No. 1 Issue'

TO THE EDITOR:

Permit me to congratulate you on the fact that SOCIAL JUSTICE Magazine is devoting more space to the rumors of United States involvement in the second World War.

The possibility, and even probability, of our involvement, makes the subject "No. 1 Issue" for all Americans, especially that section of the people known as the probable "Cannon Fodder."

Week by week, month by month, the movement to involve the U.S.A. in the "second World War" becomes stronger and stronger.

Who is back of this strong movement? Who finances it? Surely much money is being spent? Whose money is it? Why not tell us? Give us the low-down!

Why not give us a strong article on "International Money" and its efforts to involve the U.S.A. in war?

By far the most important question before the American people today is this movement to involve us in war.

98 per cent of the American people do not want war. Why devote so much space to labor disputes. The labor element has a national Administration looking out for their every little want.

The only kind of war that ever benefited the common man was a price war. We want no other kind!

—A Reader

Baltimore, Md.

Correction Up to Us

TO THE EDITOR:

In reference to the heartbreaking story of Frances Kilkenney, who is denied by law to sell SOCIAL JUSTICE Magazine on the charge that she is a juvenile at 15 years of age. Yes, of course, quite true. But back in war days, the last one, age was not an objection; children worked, even in factories, and school was not thought of then and was not violating the compulsory education law. Because all must be a slave to war.

Another case: only last year in Camden, New Jersey, I was compelled to correct two small boys of 7 and 8 years of age who were quarrelling at 10 P.M. and were selling the daily trash papers. But, of course, this would be a "horse of a different color." Infants may sell propaganda and the so-called latest news but school girls at 15 years may not sell a truthful magazine. What a pity the girl's father isn't employed and making a living annual wage for his family! SOCIAL JUSTICE scores two points on that one.

Now, friends of social justice, Christian justice, this sad story in New York should only prove to you that we must fight to the finish and also, remember this happens to be an election year.

The teacher can only direct the knowledge in the right channels, it is up to you to grasp it.

—Miss E. Malies

Philadelphia, Pa.

Peace Must Be Strong

TO THE EDITOR:

The present European war of power politics and profit is enough to disgust any real American. It is by all indications the same type war into which America was dragged in 1916. The war mongers are still working day and night in order to convince the American public that it is their duty to stop Hitler and preserve democracy.

The same group of war mongers sent the American youth to Europe during the World War for the same purpose, but instead of Hitler it was "the Kaiser." When the World War was ended and the Kaiser had been stopped, they went to work creating Hitler, who was to be used as an excuse for the present war and more blood profits. If we were to go to Europe and stop Hitler it would not be very long until we would be again called to stop his successor. The Kaiser, Hitler, Democracy and the rest are only war-mongering excuses to obtain blood money profits.

The war monger knows that the difficulties in Europe which he helped to create could have been settled around a conference table, but that would do away with blood profits. The excuse given for the present European war is to preserve democracy and stop Hitler, but the actual reason for it is power politics and more profit.

In Europe, many countries have cast out God and as a result they have a horrible war. It is time for the American people to unite under God and pray and work for everlasting peace. The cry of Americans for peace must be heard above the cry of the internationalists and war mongers who are shouting for war.

— John Kenny

Brooklyn, N. Y.

Light in the Gutter!

TO THE EDITOR:

A self-considered decent periodical referred to SOCIAL JUSTICE as a "gutter sheet." That is absolutely true. To those who, by choice or compulsion, live in gutters, SOCIAL JUSTICE is a guiding light leading to clean and solid ground.

Lincoln, Nebraska **—S. S. Schutte**

It Is a Free Forum

TO THE EDITOR:

Since I think that this letter is well founded I am asking you to give space to it in your Letter column in SOCIAL JUSTICE Magazine.

The impression I have derived from reading the Letter column is that many of its writers continue to draw reprimand upon SOCIAL JUSTICE that it is entirely undeserving of. For instance, a writer of SOCIAL JUSTICE has been chastised for his exposure of the F.H.A. plan. I only wish to say that critics of this nature may be only chance readers of an individual issue of SOCIAL JUSTICE.

Many other complaints draw me to the conclusion that the writers of these complaints draw conclusions from a single article that does not coincide with their little knowledge, and not having read previous issues of SOCIAL JUSTICE, are entirely unprepared to make such statements they are entirely uneducated in.

May I give a contrast: A doctor is about to remove gangrene from the leg of a patient. The patient complains because the doctor proceeds to remove a larger portion of the leg than the sore appears to be. Now, the patient is ignorant of medical science and does not know that unless the infection is cut from the body, even above the immediate sore, in time the rest will become afflicted and, therefore, leaves room for inquiry from the patient but not complaint. The F.H.A. defender, likewise, sees only the present benevolence and not the destruction of freedom this menace will bring if it continues.

With three very good reasons I suggest that writers such as these not be given space: Because they are not supporters of this weekly (by chance a single issue was given them by some reader of SOCIAL JUSTICE); because being uneducated in social justice they merit no space in it and because their letters are stagnant and uninteresting to the readers as they give voice only to the things we know to be false and unfounded and of which we become bored from reading in our daily papers.

Ferndale, Mich. **—Jerry Calmeyn**

A Home Buyer Must Keep Within His Means

TO THE EDITOR:

I wish to take this opportunity to reply to Mr. Otto Pollock of the Pollock Realty Company whose letter appeared in the April 8 issue of SOCIAL JUSTICE.

Mr. Pollock states that an owner does not pay rent. He certainly does, just that and more. He also states that a house costing $6,000 would cost $60 per month for rent—entirely wrong. I've been trying to get that amount for an all brick, with detached garage, all improvements, in the suburbs of New York City—a house that cost $12,500 in 1926. I paid $6,000 cash, mortgage of $6,500 with interest at 6 per cent. Up to date I have paid $5,555 in interest on this mortgage, taxes, insurance and water rates which brings the cost of carrying this house to about $750 per year. Then there are repairs and painting and many small expenditures; and the coal for heating cost over $100.

Try and sell with high rate of taxes and what are you offered—$7,500 to $8,000 at the very most.

People do not realize what they are heading for when buying that precious home so many dream of until they have taken that fatal step and have bought—very often only to lose the property in a very short time. One needs only to look about and see the many *"For Sale"* signs attached to homes in new communities.

Your article should be re-printed and listed as one more principle of social justice, thereby preventing many poor folks from putting their life's savings into one of these overrated schemes.

More light on this buying a home article and good luck for work done in past years and for what is yet to be done in years to come.

—A Subscriber

New York City

They Avoid Principle

TO THE EDITOR:

Perversion begets perversion.

Lack of pennies in the purse is God's Providence, say some, thereby, unwittingly, implying that Communism comes from heaven.

Communism springs from injustice, or lack of pennies in the purse caused by usury. Here we have the monetary superstition creating the moral superstitution or blasphemy. Usury, besides being all-controlling, anti-American and unconstitutional is also anti-Christian, unnatural, inhuman and ghoulish.

When the proponent of the sound principle "beats up" the false principle, the "usury buddies" retaliate by beating up the non-principle, the person, the proponent of the sound principle the "beater upper" of the false principle. What a funny way to fight.

Why do they not attack the sound principle? Although the principle is not involved here, this is reminiscent of the second prizefighter who says to the first one: "Aw nuts! I'd rather beat up your little sister."

The usurers who have knocked us for a "$250-billion loop" since 1929 have invented a lot of cute names to protect the swindler.

Christianity says in effect, call the sin names or the false principles names, not the sinner; but the "buddies of usury" call the real reformers names by implication in defense of the racket.

—T. Brennan, Jr.

Rochester, N. Y.

Hoarders of Gold

TO THE EDITOR:

Poverty invites a sort of pity, a miserable dole of assistance; necessity is dismissed with neglect and scorn; wealth attracts and allures to itself more wealth.

Men like to collect money into large heaps in their lifetime; they like to leave it in large heaps after they are dead. They grasp it into their own hands, not always to use it for their own good, but to hoard, to lock it up, to make an object, an idol and a wonder of it.

Do you expect them to distribute it so as to do others good: that they will not deliberately defraud their loyal citizens of what would be of the utmost use to them?

No, they will thrust their heaps of gold into the hands of others (as their proxies) to keep for them untouched, still increasing, still of no use to anyone, but to pamper pride and avarice, to glitter in the huge, watchful, insatiable eye of fancy, to be deposited as a new offering at the shrine of Mammon, their God—this is with them to put it to its intelligible and proper use; this is fulfilling a sacred, indispensable duty; this cheers them in the solitude of the grave and throws a gleam of satisfaction across the stony eye of death.

But to think of frittering it down, of sinking it in charity, of throwing it away on the idle claims of humanity where it would no longer peer in monumental pomp over their heads; and that, too, when on the point of death themselves (*in articulo mortis*) oh! it would be madness, waste, extravagance, impiety!

Thus worldlings feel and argue without knowing it; and while they fancy they are studying their own interest or that of some booby successor (their *alter idem*) they are but the dupes and puppets of a favorite idea, a phantom, a prejudice that must be kept up somewhere (no matter where) if it still plays and haunts their imagination while they have sense or understanding left—to cling to their darling follies.

—Charles W. Doane, Sr.

St. Paul, Minn.

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Cure of Nation's Unemployment As Simple As Its Cause: Money

Monetary Bills Now Pending Before Congress Could Restore Country's Purchasing Power and Put Jobless Americans Back to Work

By ROBERT L. OWEN

From the *Congressional Record*
(March 26, 1940, Pages 5322-23)

INFORMED STUDENTS of modern monetary science understand perfectly well the cause of 10-million unemployed in the United States. And they understand equally well the cure for it. They know that it can be quickly cured, because they know the cause. Both the cause and the cure have been set forth by me, among many others, in *Senate Document No. 23*, prepared by me and submitted on the twenty-fifth anniversary of the signing of the *Federal Reserve Act*.

The *Federal Reserve Act* was framed by me after taking 3,000 pages of testimony, and within 4 days after I obtained a vote by the Senate in favor of the bill I submitted as a substitute for a House bill, it was signed by the President and became the *Federal Reserve Act*.

This act was intended to establish public control over the volume and value of money by regulating and stabilizing the price level through stabilizing bank credit, which functions as money. Woodrow Wilson's demand for public control over private control of the volume and value of money—that is, bank credit—will be found on page 100 of *Senate Document No. 23*, as follows:

"* * * *the control of the system of banking and of issues which our new law is to set up must be public, not private; must be vested in the Government itself so that banks may be instruments, not masters, of business and of the individual enterprise and initiative."

Federal Reserve an Initial Success

This view of President Wilson had been entertained by such men as Benjamin Franklin, and by the great convention which established the Constitution and imposed on Congress the duty of coining, creating, and regulating the value of money. Quotations will be found in the appendix of *Senate Document No. 23* from President John Adams, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Garfield, and Hon. James G. Blaine.

Under Woodrow Wilson's management, up to 1920 when reactionaries got personal control of the Federal Reserve machinery, the Reserve System was a grand success. It brought abounding prosperity. It raised $40-billion and won the World War by financing the Allies. This great fund was over half liquidated before the forces of reaction caused the panic of 1921 through the deliberate and willful contraction of credit and currency in 1920-21, which threw 5-million people out of employment.

Under Calvin Coolidge an overexpansion of credit took place as a reaction to the contraction of 1921, which resulted in inflating securities listed on the exchanges, the borrowing of billions of dollars for speculating in securities with the unavoidable collapse of October, 1929, which resulted in throwing out of employment by 1932-33 about 14-million people through the contraction of bank credit, or the contraction of our money supply, since 95 per cent of our money supply consists of bank checks on demand deposits.

Goldsborough Bill Sought to Restore Purchasing Power

Let us look at the record. On October 23, 1929, a crash in the stock market took place, and within 6 weeks $6-billion of call loans contracted credit in the stock markets of the country resulting in a fall in the valuation of listed securities of $30-billion within two months. The financial airplane went into a tailspin. A violent wave of pessimism and stringent economy swept the nation. People everywhere cut down consumption and caused production to fall off, which threw millions out of employment, and the lack of wages and salaries caused still further contraction in consumption, contracting further production; so that our national production fell from an estimate of $81-billion to $38-billion within three years. Within that time the banks contracted credit to the extent of over $20-billion. The dollar increased in purchasing power 600 per cent in terms of listed stocks on an average. Farm products fell far below the cost of production. The campaign of 1932 followed, and the Hoover administration was overthrown because of the depression and the failure of that administration to correct it.

The House of Representatives in May, 1932, passed the *Goldsborough bill*, after taking 500 printed pages of testimony, in which a remedy was proposed by restoring the purchasing power of the dollar to the predepression normal and maintaining it. This bill instructed the Federal Reserve Board and the Secretary of the Treasury to make effective the policy. The *Goldsborough bill* passed the House by 289 to 60—117 Republicans voting for it. Of the 60 who voted against it, 48 Members were retired in the succeeding election. Never was there a more nearly unanimous declaration of policy by the representatives of the people on an issue as important. This bill was advocated by the National Farmers Union, the National Grange, the American Farm Bureau Federation, and the present Secretary of Agriculture supported this policy at that time in his testimony before the committee. The restoration of the dollar index to a predepression normal meant the restoration of the price level. The restoration of the price level meant expanding the supply of money through the expansion either by currency or by credit through the Federal Reserve banks.

How Volume of Money Controls Prosperity

When the people are unable to obtain wages and salaries, when their income from rents and profits is cut off by depression, they have not the means with which to buy, and under these conditions production and employment must cease in ratio or pile up unsalable inventories. The consumers' buying power must depend upon the increasing of the volume of money in circulation and a rising price level. Please remember that the price-level index is a percentage in 1939, for example, of the volume of money required in 1926 to buy a fixed volume of 784 listed commodities, which meant the index of 79, in 1939, meant that it took 21 per cent less money to buy the same goods in 1939 as in 1926. Raising the price level means increasing this volume of money by 21 per cent. In other words, the volume of money in the turn-over of the wholesale primary markets required an increase of over $10-billion.

Every man of common sense ought to know that the value of property in terms of dollars depends on the number of dollars in circulation. When the dollars in circulation are cut down for whatever reason, it means that the price of property goes down. Improved property in the towns and villages of the country has fallen to less than half of its predepression value because of this contraction of credit. The rents have fallen off to a point where they are unequal to paying the maintenance, taxes, and the administration of shops and stores and dwellings.

The proof of the shortage of money is so shown by the fact that the check money actually emitted and debited by the banks against the demand bank depositor in 1939 was only $530-billion; whereas, in 1926 it was $845-billion, 14 years ago. And since that time the volume of money should have increased in the rate of 4 per cent per annum under normal conditions of uninterrupted growth, or it should be now 50 per cent more than $845-billion. In other words, our money supply in 1939 should have normally had a turn-over of over $1,300,000,000,000 instead of $530-billion.

Hoarded Reserves Create Unemployment

In the years 1926, '27, and '28, up to July, 1929, preceding the panic, the average turn-over of the demand deposits on the books of all the banks in the hands of private depositors was about 40 times per annum. The conditions of 1939 justify, therefore, the assertion that $530-billion, divided by 40, would give the volume of demand deposits in actual circulation at about $13-billion; while the total of demand deposits in the hands of private deposits is now about $24-billion. In other words, eleven or twelve billion dollars of hoarded demand deposits are held as reserves, held on account of fear, and held for speculative purposes expecting a further crash in property values.

The cause of unemployment is a contraction of available money supply, through which alone the consumers may have wages, salaries, and income with which to buy the products created by the same people who consume them.

Under our present system, the banks and their customers create over 95 per cent of all the money we use (check money). And they cancel check money when the loans are paid off, for whatever reason. Ninety-five per cent of our check money is based on deposits created by debt. This creates an irresponsible monetary system where private persons create and destroy money according to their hopes and expectations of profit, or their fear of loss and lack of confidence. Chairman Marriner Eccles, of the Board of Governors of the Federal Reserve System, truly said, page 102, *Senate Document No. 23*, "The banks can create and destroy money. Bank credit is money. It is the money we do most of our business with, not with that currency which we usually think of as money."

The financial catastrophe of the panic of 1929 caused the liquidation of 10,000 banks, hundreds of thousands of commercial enterprises, and the bankruptcy of millions of individuals, thereby causing a profound loss of confidence resulting from the destruction of national income and the destruction of the value of property of all sorts.

Only Congress Can Restore Public Confidence

What Chairman Eccles says is true—that the banks create our money and can create our money—but it is also true that privately owned banks cannot act in complete concern and control and regulate the volume and value of money, because they have no adequate means of co-operation. The only banking structure that has the power and the means with which to correct these conditions arising from a contraction of the money sup-

(Continued on Page 16)

The Hon. Robert L. Owen, ex-Senator from Oklahoma and co-author with the Hon. Carter Glass, Senator from Virginia, of the *Federal Reserve Act of 1913*, is recognized as one of the world's foremost economists. His counsel is sought; his judgment is respected.

Recently this brilliant scholar and statesman thought it opportune to discuss the problem of "*National Unemployment—Its Cause and Cure.*" Thus, in a memorandum which he dictated, and which is now incorporated in the *Congressional Record* of March 26, 1940, (page 5322) he weds unemployment to the practice of an obsolete financial system.

I sincerely urge all readers of this page to digest thoroughly the remarks of the gentleman who understands the nature and function of money and banking as well as any living American. His entire article is gratefully presented for your consideration.

—FATHER COUGHLIN

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Why Isn't Credit Good? British Ask

The Answer Is That England Is in Default on Former Wartime Borrowing

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—On April 8, 1940, the Honorable Henry A. Wallace met with the representatives of the British purchasing mission to discuss a plan for the extension of credit in agricultural commodities to England. To the Secretary of Agriculture and the heads of the Agricultural Adjustment Administration, the Commodity Credit Corporation and the Surplus Commodities Corporation, John Bull's spokesmen bluntly put the question: ***"China's credit is good. Finland's credit is good. Why isn't our credit good?"***

Secretary Wallace could have answered in terms as blunt as those of John Bull's representative. *"Britain's credit is no good because she welshed on her debts."*

Potentially, the British Empire is, of course, the greatest customer of the United States. In 1937, she imported nearly $8-billion worth of goods from other nations of the world, but she happens to owe us $5,340,000,000 which she can pay, which she could have paid, but which she has not aid.

Other Borrowers Not in Default

No humble citizen of America expects to repudiate his debts, to preserve his assets and refuse to render to his creditors their due and calmly walk back into his creditor's place of business bluntly demanding, "Why isn't my credit good?"

But John Bull is a strange citizen. Repudiating a $5-billion debt to the United States, he summarily asks why his credit isn't good. His argument is that China's credit is good. China does not owe the United States a penny. He might ask why Japan's credit was good. Japan does not owe us anything. Denmark is now negotiating a loan for $1-million. It, too, owes us nothing. Norway is negotiating a loan for $20-million; Norway owes us nothing. Neither does Sweden nor Holland.

The *Johnson Act* was passed to prevent the further extension of credits to defaulting nations. Now it is being contended that the Export-Import Bank and the Commodity Credit Corporation are exempt from the provisions of the *Johnson Act*.

Belligerent as Well as Defaulter

The *Neutrality Act* forbids loans to belligerents. John Bull is certainly a belligerent as well as a defaulter.

The Commodity Credit Corporation, which was established in 1933 and subsequently extended by Congress, was primarily intended to make loans to producers in order to finance the proper marketing of their crops. In April, 1939, it was transferred from the Reconstruction Finance Corporation to the Department of Agriculture. The Export-Import Bank was originally intended to finance sales to Communist Russia. After a long slumber it was revived.

Properly understood, it should finance American citizens and American corporations in their sales of surplus exportable goods. The loans were never intended to finance foreign governments in their purchases, much less to violate the letter of the *Johnson Act* or the spirit of the *Neutrality Act* by posing as entities distinct from the United States Government or its citizens.

Mr. Wallace is letting the bars down on the second step toward war. The first was the lifting of the embargo. The second is the extension of foreign credits to the belligerents. The third is active participation in the second European war.

Cure of Our Unemployment

(Continued from Page 15)

ply are the 12 Federal Reserve banks, backed by the power of the Government. These banks can create money just as easily as a private bank, and more easily; they can create the money precisely in the same way as a private bank. A private bank lends money to a private individual on a mortgage, or on stock-exchange collateral, or on Government bonds. Private banks can buy Government bonds, which means lending money to the United States at interest, and in doing so the private bank creates a demand deposit in exchange for the Government bond. The bank puts the Government bond in its portfolio and gives the Government a checking account.

The Federal Reserve banks can do the same thing. They can buy outstanding bonds of the United States in the open market and thereby convert a non-liquid security into a liquid demand deposit, or money subject to check. The immediate effect of such a policy by the Government would be to raise the price level. An example of this took place when the Federal Reserve banks in the four weeks of September last bought $475-million of Government bonds and notes. The immediate result was that the price level rose and the dollar index fell from 133 to 126. This action by the Reserve banks stimulated public confidence, excited the hopes of those who saw the prospects of a rising market, or rising price level. But this favorable action on the price level ceased when the Reserve banks disposed of the $475-million and the price level began to fall again and the dollar index to rise. The price level was 75 in August last and went up to over 79 when the Federal Reserve banks expanded credit in the manner described. The effect was psychological. The restoration of confidence can only be achieved by a congressional declaration of monetary policy, such as declared by the *Goldsborough bill* of 1932, which was defeated in the Senate by a conservative vote.

Politicians too Busy to Understand Money

President Roosevelt approved the *Goldsborough bill*. I personally presented to him the bill and the evidence upon which it was based. The friends of the monetary policy declared in this bill supported Mr. Roosevelt and secured his nomination and election in 1932. Mr. Roosevelt favored that policy, as appears from his statement in October 1933, in which he said:

"When we have restored the price level we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation."

This was the substance of his famous telegram to the London Economic Conference.

One of the greatest weaknesses of our Government is that Senators and Members of the House are so intensely occupied with political, legislative, and departmental duties and other preoccupations that it is extremely difficult for them to study such a question as monetary science. They can, therefore, be misled by propaganda, which is furnished them abundantly in methods so adroit that it does not seem to be propaganda.

The same thing is true with regard to the President and the members of his Cabinet. Their administrative duties are enormous, their preoccupations urgent and imperative. Therefore, this question and the solution of it is left in the hands of the Board of Governors of the Federal Reserve System. The Board is afflicted by the same nature of administration preoccupations. These interferences with study are not true with regard to men like Professor Fisher and the professors of political economy who have been working with him and corresponding with hundreds of professors of political economy studying this question. Now there has been assembled at least 300 professors of political economy who support the theory of public control of our money supply instead of private control, who favor the public creation and control of the volume and value of money instead of the private creation and destruction of money through private hopes and private fears. Private persons can have no policy which they are capable of carrying out for the welfare of the public and of themselves in a broad sense.

Bills Now Pending Can Cure Unemployment

The cure of unemployment will be found in bills already pending in the Congress and introduced by Congressman Jerry Voorhis of California, Congressman Wright Patman, of Texas, Senator M. M. Logan, of Kentucky, and Congressman Brent Spence, of Kentucky. Some years ago, in 1932, I believe, Congressman Kent E. Keller, of Illinois, and Congressman John E. Rankin, of Mississippi, introduced such bills declaring a monetary policy.

The restoration of the spirit of confidence of the business people of this country can be completely accomplished by a sound, sensible, and sane declaration of monetary policy by the Congress and the requirement that the officials of the Board of Governors of the Federal Reserve System shall be subject to the control of Congress and removal from office if they fail to maintain the confidence of the Lower House, which comes fresh from the people every two years. A vote of no confidence should be sufficient to remove any administrative officer who holds a position of such vast importance as the life and death powers of the Board of Governors over the business of this country.

The correctness of the principles which I am expounding to you here of the public control of the volume of money and value of money is now fully recognized by the Governments of Great Britain, France, Italy, Sweden, Finland, and even Germany has used these principles to expand its power enormously.

Recovery as Important as National Defense

Our citizens are deeply concerned over the question of national defense. There is no question of national defense which surpasses the problem we are now considering. The incompetency of monetary government led to the stock-market crash of October 1929. And our national production fell from $81-billion to $38-billion per annum. A total loss during the last 10 years of approximately $200-billion of production we should have had. And if we had advanced at the rate of 4 per cent per annum, it would have made nearly as much more. (See S. Doc. No. 23, p. 48.) The restoration and maintenance of national maximum employment is the most powerful factor of national defense. We have the factories, equipment, power, and working force that could easily produce $130-billion per annum if fully employed in production.

To say that nobody knows what makes the value of money is a self-evident and ridiculous error. To say that nobody knows how to end unemployment has no substantial truth in it. There are thousands of scholars who know, and as one of the students of monetary science, I call your attention to *Senate Document No. 23*, Seventy-sixth Congress, in which this whole subject matter is explained so simply, so plainly, and so clearly that a high-school student should easily understand it. The difficulty has been that the preoccupations above described of the Members of the House and Senate, the Board of Governors, and the President, have prevented a complete mastery of the subject matter, and steps necessary to restore to a maximum national employment.

Our failure to solve this problem has resulted in the disclosure of 60 subversive organizations in this country discontented with their Government and seeking a change as a means of relief from distress.

I congratulate the Members of the House who are now studying this question of unemployment. I am positive that the solution is immediately available to them by the passage of an act establishing a national monetary policy and providing the simple means by which to enforce its faithful observance.

Ewing Galloway

Crowd in front of employment agency on Sixth Avenue, New York City.

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Highlights of the Broadcast

Gold and the Second World War

Fourth in a Series of Lectures Broadcast by Father Coughlin on His Sunday Radio Hour

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I

THIS FOURTH lecture will concern itself chiefly with the gold hoard buried at Fort Knox, Kentucky, and its relation to peace and war.

At the outset may I recall that, in the year 1934, all the commercial or financial gold held by private individuals in the United States was commandeered by the United States Government, the holders thereof being paid in paper money at the rate of $20.67 an ounce. That was the price of gold in 1934.

Following this recall of gold from American citizens and corporations, the Federal Government, by presidential edict, raised the price of gold to $35 an ounce.

As unromantic and innocent as these facts appear to be, they were the first in a series of subsequent events which, for all practical purposes, in 1934, wittingly or unwittingly, involved the United States financially in the war that began in 1939.

* * *

This, I think, is a serious statement which it will be my task to substantiate. Therefore, permit me, as a preface to my remarks, to recall for you that in November, 1918, the Central Powers and the Allies were both exhausted financially. A temporary Peace Treaty was signed at Versailles — a Peace Treaty more properly described as a forced armistice.

Peace of Versailles Only an Armistice

Following the signing of the so-called *"Peace Treaty,"* the victors—Great Britain, France and the United States—began, as I see it, to prepare for the final chapter of the present economic war.

I discover evidence of these preparations in three policies:

(1) The establishment of a World Court;

(2) The setting up of a World Bank; and

(3) The restoration of financial domination through the manipulation of gold.

This latter policy, the manipulation of gold, did not get under way until 1934 when, by Act of Congress and by presidential edict, we Americans began purchasing foreign gold at $35 an ounce. Since 1934 we purchased approximately $14-billion worth of foreign gold at $35 an ounce—foreign gold which cost its producers no more than $20.67 an ounce. Fourteen billions dollars' worth of gold at $35 an ounce represents 400-million ounces. At $15-an-ounce profit, that represents a profit of $8-billion which we American taxpayers contributed to foreign nations—$6-billion of profit, most of which was gained by foreign nations already owing us $11-billion for the last war; $6-billion of profit, of which approximately $4-1/3-billion went into the treasuries of Great Britain and France.

That, in my opinion, was the greatest single known contribution to a war chest in the history of the world!

* * *

And we American taxpayers made it—made it when we were least able to pay it; made it with 10-million persons unemployed; made it when we were paying our laborers less-than-living wages; made it with two-thirds of our families receiving an average of $69 a month upon which to live.

* * *

II

Buried Gold Not Used for Recovery

Meanwhile, there lies buried at Fort Knox, Kentucky, approximately $18-billion, 600-million worth of gold—$14-billion of which was purchased from foreigners at $35 an ounce—representing $15 an ounce as a minimum profit.

What use is being made of that gold? It was not used efficiently to solve the problem of unemployment. It was not used efficiently to save the thousands of homes and farms confiscated while we languished in a depression. It was not used efficiently to solve our problem of distribution.

It was used, as I just pointed out, to insure profit for foreigners—$6-billion worth. It was used to guarantee the redemption of $18-billion worth of bonds I consider purchased by our bankers at 10 cents on the dollar—bonds which represented a debt which we incurred, in part, for having purchased $14-billion worth of gold for the profit of foreigners.

III

A more pertinent question of interest to you taxpayers—to you two-thirds of our families living on $69 a month income: What use did Great Britain make of the profits which your tax money contributed to her and other nations — Great Britain who produces more gold than any other political unit in the world?

In brief, the answer is this: Great Britain used part of her gold profits —which you American taxpayers contributed—to purchase stocks and bonds in the United States. She used, in part, the billions of dollars which you contributed to her, first, to purchase, at least in part, Federal bonds —the debt you owe the Federal Government; and, second, to purchase huge blocks of profit-making stocks in, at least, 92 corporations in this nation.

I have before me an Associated Press dispatch from London, England, dated Monday, April 16, 1940, which verifies this statement—a dispatch printed in the pages of this week's SOCIAL JUSTICE (Page 3). The British government, according to this release, commandeered certain stocks and bonds held by individual citizens and corporations. Having commandeered these private holdings, the British government is now prepared to use these American bonds and stocks, representing billions of dollars, to further Britain's interest in the economic war now in progress.

Great Britain Big Dealer in Wall Street

Thus, Great Britain, probably the largest manipulator in Wall Street today, used her billions of dollars of profit gained in gold manipulation to secure a hold on American industry, on American labor, on American transportation, on American life.

In 1933, when patriotic citizens were advocating a revaluation of gold for the benefit of Americans—to liquidate unemployment, to speed up industry, to save homes and farms —they did not think that international manipulators of gold would take advantage of this revaluation for the benefit of Great Britain and other foreigners for war purposes.

* * *

Let it be observed that our gold-buying policy is just as active today as at any time in the past six years. The Department of Commerce at Washington, on April 13, 1940, issued a statement to the effect that, for the month of March alone, we Americans imported nearly $1/3-billion ($328,769,000) worth of British gold. (Associated Press Dispatch, April 13, 1940.)

The same Government Department also indicated that Breat Britain has almost $1-1/3 billion in the vaults of the New York Federal Reserve Bank ready either to sell to our Government at $35 per ounce or to be used directly in the purchase of munitions—$1-1/3-billion over and above the billions of dollars already sold to our Government. This will represent approximately another half a billion profit to Great Britain which we taxpayers will contribute towards her war chest within the next few months.

IV

One would think that, should Great Britain and the belligerents spend in America the profits made through gold manipulation, our nation would profit thereby. In the *Congressional Record* of April 9, 1940, (page 6399), inserted by Representative Michener of Michigan, we read the following statement from the *Detroit Free Press:*

". . . we imported enough foreign gold last year to provide foreigners with a dollar for every dollar's worth of American goods they bought."

* * *

Americans Losers in Gold Trading

In other words, we Americans paid, through the process of taxation, for everything the foreigners purchased, thereby making no profit on these purchases.

One would think that the billions of dollars which we taxpayers contributed to foreign belligerents as a result of gold purchases would benefit our export trade. On the contrary, some observers think it threatened to destroy it. In the *Congressional Record* for March 26, 1940, (page 5327), we read the following statement, inserted by Rep. Anderson of Minnesota:

"Another important foreign manipulation which automatically shuts off exports from this country is the prevailing depreciation of foreign currencies. Our dollar has become high priced in foreign exchange. We now hold three-fourths of the world's supply of gold, and foreign nations must secure dollar exchange to pay for war materials purchased in this country. Therefore, they must sell more of their competitive products in our domestic market in order to secure the necessary dollar exchange. To accomplish this end, they have lowered the value of their money, which means that our dollar is worth from 13 to 66 per cent more in the various countries of the world. The final result of this clever manipulation will bring a flood of cheap foreign goods into our own market and a serious curtailment in our exports of American products."

* * *

Time to End the Gold Farce!

From time to time, individuals speculated upon the possibility of our taking over Bermuda, British West Indies, St. Pierre and Miquelon —island possessions of Great Britain and France adjacent to our continent —in payment of the debts these empires owe us. As yet, no one has speculated on our taking over the stocks and bonds now commandeered from private English citizens by the British government — stocks and bonds enabling Great Britain to become the largest manipulator, probably, in Wall Street, and one of the largest holders and owners of American industry.

* * *

In my opinion, the gold-purchasing policy should be abolished immediately. I base my opinion upon the major detrimental effects already indicated in this lecture.

In my opinion, the Stabilization Fund, used to sustain, in part, the low-priced British pound and French franc, should be cancelled forthwith.

* * *

The *Gold Reserve Act* and the Stabilization Fund resulting from it were enacted into law, so it was advertised by the Administration at Washington, "to meet a national and international emergency," as we read on page 200 of the *Minority Report of the Gold Reserve Act of 1934.* It has not, in my opinion, met a national emergency. It has co-operated, wittingly or unwittingly, to meet an international emergency, which might be interpreted as making a prepayment by Americans for the world war of 1940.

Therefore, the question is not "Will America become involved in the present world war despite our *Neutrality Act*—a *Neutrality Act* which did not take into consideration the great contraband of money, as represented in profits through gold-purchasing and the use of the Stabilization Fund?"

That question was settled in 1934 when, through the passage of the *Gold Reserve Act* and the institution of the Stabilization Fund, we factually became participants in the economic war now raging in Europe and threatening to spread to the Orient. Already we are involved financially.

The question is: ***"How can we Americans counteract this unfortunate involvement?"***

Because Father Coughlin's lecture on Sunday, April 21, was a further development of his editorial, *"From the Tower,"* in this week's edition of SOCIAL JUSTICE (See Page 3), the broadcast is confined to this brief page of excerpts. The complete text of the broadcast, as well as the rest of this important series, may be obtained by writing directly to Father Coughlin, Royal Oak, Michigan.

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Religious Education Seen As Need of Today

London's Evacuated Children Show Striking Ignorance of Christian Beliefs

OUT OF THE MOUTHS of children, evacuated from England's populous centers to rural regions to escape the shattering blows of war, has come a realization of the need for religious education in state schools.

The *Times*, England's most influential paper, has taken up the cry for greater attention to religious education. A recent *Times* article, based on the testimony of the juvenile evacuees, declared that education must be based upon religion and that it is the business of the state, as well as the church, to see that religion is taught in the schools.

A country parson in one of the districts into which the evacuees were moved last Christmas Day, interviewed the evacuated children of his locality. The average age was 12 years. He asked this simple question: "Why do we keep Christmas Day?" *Of 31 children present, 19 did not know the answer.*

They knew nothing of the Bible. They had never been taught to pray.

Northwest Ordinance Set American Standard

This was, of course, not in America but in England which possesses a State church

A similar instance occurred in the writer's home one Good Friday. A group of little girls were playing when the hour of twelve approached. It was necessary, although embarrassing, to dismiss the group. Asked what day was being celebrated one child knew that it was Good Friday and on being asked what Good Friday meant, the same child was the only one who knew.

The American principle associates religion, morality and education. It is derived from the famous Northwest Ordinance of 1787. The language of that Ordinance, the constitution of the sparsely settled Northwest Territory, was this: "Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

Quoting from the *Times* article: "The common argument that while the provision and supervision of 'education' must be the business of the state, 'religious instruction' must be considered as altogether the affair of the churches, is not only worthless but mischievous It is mischievous because it encourages the fallacy that essential education can be completed by secular instruction alone, and that the teaching of religion is merely a kind of optional supplement.

'Religion Must Form the Basis of Education'

"The truth is, of course, that religion must form the very basis of any education worth the name, and that education with religion omitted is not really education at all.

"Yet in some of the schools provided by the state there is no religious teaching. In some of the secondary schools it is provided for the junior pupils only, and dropped, as a subject comparatively unimportant, when they reach the upper forms. Under the system governing the elementary schools it is treated as a subsidiary subject, to be disposed of in a preliminary half-hour before the real work of the day begins.

"In every other subject, the educational authority rightly demands a high standard of competence from its teachers. But if those who give religious instruction have had no training for the work, or if a head teacher is openly antagonistic to Christianity, the state regards such matters as outside its purview, and does not interfere.

Aim of Education: To Produce Good Citizens

"While it maintains that the teaching of religion should be left mainly to Churches, it will only admit representatives of the Churches exceptionally, and under severe restrictions to teach religion in its schools. Again and again the odious fallacy recurs that education is one thing, and religious instruction quite another It is a right purpose of national education to produce men and women with healthy bodies and intelligent minds, and the immense sums devoted to this purpose are well spent. Yet the highest educational aim is to produce good citizens. The basis of good citizenship is character, and a man's character depends upon his beliefs. How, then, can the state afford to ignore these simple truths, and to view the teaching of religion as a task with which it has no direct concern?

"Meanwhile the churches have done, and are doing, their utmost to check the decay of religious knowledge, which leads necessarily to the decline of religion itself. War-time conditions have provided them with some new opportunities, which they have been swift to use.

War Emphasizes Educational Deficiency

"If the war has emphasized the deficiencies of our present educational system, something more than war-time expedients will be needed to remedy them. More than before, it has become clear that the healthy life of a nation must be based on spiritual capital, on traditions inherited from the past, instead of providing for the future. Christianity cannot be imbibed from the air. It is a historic religion, which must dwindle unless the facts upon which it is founded are taught, and such teaching made the center of our educational system.

"It is upon such lines, with a bold disregard of obsolete controversies, that our state system of education needs to be recast. The highest of all knowledge must be given frankly the highest of all places in the training of young citizens.

"It will be of little use to fight, as we are fighting today, for the preservation of Christian principles, if Christianity itself is to have no future, or at immense cost, to safeguard religion against attack from without if we allow it to be starved by neglect from within."

An Important Consideration Just Now

—The Catholic Tribune

Protection by Tariff and the Living Wage

THE ECONOMICS of America have long been filled with paradoxes. Since Alexander Hamilton, as the first Secretary of the Treasury, wrote the first *Report on Manufacturers*, this nation has been dedicated to a "tariff policy."

All tariffs are "protective" to the extent that they levy any duty whatsoever. But industry after industry has been "protected" by the levy of high import duties.

Levying these high duties in the beginning was for the protection of our "infant" industries. As the infants grew to full maturity, then to heroic figures and, finally, to monstrosities, the argument was shifted to the protection of the "American system," meaning high wages in contrast to the wages paid on the low levels of European living.

Now we discover the seeming paradox of a century of battle! In those industries which have remained unprotected, the average yearly wage is 64.3 per cent while, in the protected industries, the yearly wage is 53.2 per cent per year.

Protected Industry Pays Lowest Wage

In fifteen selected industries ten have been chosen from the field of historical high protection and five from industries which received no tariff protection. The average annual wage paid in these industries ranges from $604, as a low, to $1,692, as a high.

The makers of fabric gloves, the workers in the shirt and collar industries receive an average annual wage of $604. Cigar makers receive $670. Workers in the cotton textiles, makers of leather gloves, laborers in the silk and rayon industries and garment workers receive from $745 to $794 annually. The cigarette worker receives $930. The laborers in the woolen and worsted factories and those that dye and finish textile materials receive from $1,001 to $1,010 a year. These are America's most highly protected industries and a century of such protection has actually given a worker far less than one-half of a living annual wage.

Pay Is Highest in Free Trade Group

Yet America has many industries unprotected by the tariff. The workers on typewriters and parts receive an annual wage of $1,236. Those who work on the sewing machines and attachments receive $1,506. The makers of agricultural implements receive $1,562, the automotive worker, $1,575, and the workers in the petroleum refineries of the country, $1,692.

This is a sad commentary on a Congress which set about to protect the American standard by means of tariffs to shut out competitive goods and wound up by finding that labor entrusted to its paternalistic care was orphaned early in life.

On the other hand, five great industries free from Governmental protection boast of the highest paid labor in America. Paternalism once more protected the profits of the wealthy and violated that sixteenth principle of social justice: *"I believe in preferring the sanctity of human rights to the sanctity of property rights. I believe that the chief concern of Government shall be for the poor because, as it is witnessed, the rich have ample means of their own to care for themselves."*

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From the Tower . . .

(Continued from Page 3)

III

Thus, the American public, through its Government, purchased British and French gold ($10-billion worth) at $35 an ounce when it cost the empires no more than $20.67 an ounce to acquire that gold in the first place.

The profits made by Britain and France on this transaction were used not to pay debts they owe us but to purchase stocks and securities in American industry and finance.

* * *

Gold Backs Bank Bonds

The third point, explaining how, in my opinion, we have been "in the war" since 1934 is this: We American people who purchased this inflated gold at $35 an ounce now face the incredible fact that $18-billion of it — including the $10-billion purchased from Britain and France — is being used not so much to liquidate unemployment and confiscation of homes and farms, as it is to guarantee the payment of the $18-billion worth of bonds held by the banks—privately-owned banks.

Indeed, we have been "in the war," from a financial viewpoint, since 1934.

IV

For more than a year political speculators, anxious to have Great Britain and France pay us what they owe us, have been playing with the idea of taking over Bermuda, the British West Indies, Newfoundland, St. Pierre and Miquelon—British and French possessions adjacent to our shores. We have not heard any of our brilliant politicians advance the idea that we should take over the stocks and the bonds owned by British and French citizens and agents which, as deductible from the above quoted, are about to be used to break down our markets through a dumping process.

Bear in mind that our stocks were purchased at low levels by the British and French. Since 1934, the financial graph demonstrates that the price of stocks has risen considerably, thereby indicating a second profit gained by the British over and above the profit they acquired through the manipulation of gold.

These stocks, having earned this second profit, are now in the process of being dumped. Despite the war; despite the scarcity of commodities; despite the trend for stocks to rise, particularly in munitions, steel, motors, shipping and textiles, there has been no remarkable rise. There will be one in the immediate future, once the foreigners will have re-entered the depressed markets, thereby gaining a third profit.

The mystery of money is no mystery to the students thereof; nor is the mystery of war, which is fought advantageously by those who control money.

V

There is one more point to complete the explanation of how, in my opinion, we have been "in the war" since 1934. It is this: As you know, we American people set aside the sum of $2-billion to be employed, as he sees fit, by the Secretary of the Treasury for the purpose of stabilizing the English pound and the French franc.

During these past several years, while our own dollar was not stabilized in the sense that it was permitted to buy too much—wheat at less than $1.50 a bushel; real estate, including homes and farms, at deflated prices—the President of the Bank of France, in September, 1936, hailed Mr. Morgenthau as "the Savior of the French franc."

VI

Meanwhile, are there a sufficient number of informed American citizens to protest against our gold-buying policy, the benefits of which to Americans are questionable; are there a sufficient number of citizens who will raise their voices against profit-taking in America on the part of foreigners now notorious for having repudiated their debts?

Following the termination of this war which, in my opinion, will result in the bolshevization of Europe, what use will we Americans make of the $18-billion gold hoard in Kentucky? Nationally, there will be no use for this metal other than to protect the debt owners of America. Bear in mind that bankers purchase the debt at an estimated 10 cents on the dollar; bear in mind—and this is more than a coincidence—that the $18-billion worth of bonds they hold are protected dollar for dollar by the $18-billion worth of gold in Kentucky.

Internationally, there may be some use for this gold hoard if the plans now being perfected by the diplomats of Europe and America can be put in operation. The trial balloon of the International Bank in Switzerland, together with the experiment of our Governmentally-owned Export-Import Bank, are the only indications now manifest on the part of internationalists to establish a World Bank with headquarters in America to sustain Britain, France and the United States and to hold in economic bondage the rest of the world.

Should this plan be evolved successfully, following the bolshevization of Europe, it will result merely in preparing the world for an even more serious catastrophe twenty years hence with a clash between the "haves" and the "have nots." It appears that it is more essential, according to the morals of economists and internationalists, to protect debts rather than to protect civilization and the children of men.

Attention

This is renewal time for many SOCIAL JUSTICE subscribers. Those of you whose subscriptions began in April must renew *now* if you wish to continue receiving SOCIAL JUSTICE regularly.

Oftentimes carelessness is responsible for the lapsing of subscriptions. A little attention now will save you discomfort later. If your address stencil bears the mark "4-40" it means that your subscription terminates THIS MONTH.

To guarantee that you will not miss a single issue of this magazine, that you will not miss a single instalment of the interesting historical series, or a single article on economics, finance and political affairs from the standpoint of social justice, renew your subscription TODAY!

An envelope, a stamp, and a little time will guarantee an uninterrupted subscription.

Fr. Coughlin's Radio Stations

REVISION of Father Coughlin's Summer broadcasting schedule, effective Sunday, April 28, and thereafter, is herewith presented for the information of readers of SOCIAL JUSTICE Magazine. The time in all cases is Eastern Standard Time. On account of the change of hour in many cases, it is suggested that readers clip and save this list.

Albany, N. Y.—WABY	4:00-4:30
Baltimore, Md.—WBAL	8:00-8:30
Bridgeton, N. J.—WSNJ	8:00-8:30
Buffalo, N. Y.—WGR	4:00-4:30
Cincinnati, Ohio—WCKY	4:00-4:30
Cleveland, Ohio—WGAR	4:00-4:30
Des Moines, Iowa—WHO	4:00-4:30
Detroit, Mich.—WJR	4:00-4:30
Detroit, Mich.—WJBK	7:00-7:30
Erie, Pa.—WLEU	4:00-4:30
Fond Du Lac, Wis.—KFIZ	4:00-4:30
Green Bay, Wis.—WHBY	4:00-4:30
Green Bay, Wis.—WTAQ	6:30-7:00
Hagerstown, Md.—WJEJ	4:00-4:30
Hammond, Ind.—WHIP	4:00-4:30
Harrisburg, Pa.—WKBO	8:00-8:30
Indianapolis, Ind.—WIBC	4:00-4:30
Lawrence, Kansas—WREN	9:00-9:30
Lawrence, Mass.—WLAW	4:00-4:30
Madison, Wis.—WIBA	4:00-4:30
Minneapolis, Minn.—KSTP	4:00-4:30
New Albany, Ind.—WGRC	9:15-9:45
Newark, N. J.—WHBI	4:00-4:30
Philadelphia, Pa.—WTEL	7:00-7:30
(Monday Nights)	
Pittsburgh, Pa.—WJAS	4:00-4:30
Reading, Pa.—WRAW	4:00-4:30
Racine, Wis.—WRJN	4:00-4:30
Rochester, N. Y.—WSAY	4:00-4:30
Sheboygan, Wis.—WHBL	4:00-4:30
Shenandoah, Iowa—KMA	4:00-4:30
St. Joseph, Mo.—KFEQ	4:00-4:30
St. Louis, Mo.—WEW	4:00-4:30
Wilkes-Barre, Pa.—WBAX	4:00-4:30
Worcester, Mass.—WORC	4:00-4:30
Woodside, N. Y.—WWRL	9:00-9:30
Boston, Mass.—WAAB	4:00-4:30
Bridgeport, Conn.—WICC	4:00-4:30
Fall River, Mass.—WSAR	4:00-4:30
Greenfield, Mass.—WHAI	4:00-4:30
Hartford, Conn.—WTHT	4:00-4:30
Laconia, N. H.—WLNH	4:00-4:30
Lewiston, Me.—WCOU	4:00-4:30
New Bedford—WNBH	4:00-4:30
New London, Conn.—WNLC	4:00-4:30
Pittsfield, Mass.—WBRK	4:00-4:30
Providence, R. I.—WEAN	4:00-4:30
Waterbury, Conn.—WATR	4:00-4:30

The League of the Little Flower Requests You to Pray for the Sick and the Dead

"I beseech you therefore, brethren, through our Lord Jesus Christ and by the charity of the Holy Ghost, that you help me in your prayers for me to God."—Romans 15:30

DECEASED

ILLINOIS
Mrs. Mae Konkl — *Berwyn*
Mr. Frank J. Konkl — *Berwyn*
Mr. M. H. Daleiden — *Bloomington*
Ambrose McNally — *Witt*

KENTUCKY
John H. Bickett — *Louisville*
Anna May Sarsfield — *Southgate*

MASSACHUSETTS
Mrs. Winnifred Buckley — *Dorchester*
Miss McCann — *Somerville*

MICHIGAN
Mrs. Thersia Blay — *Detroit*
Anna Matyn — *Detroit*
Mr. Jos. H. Pfoff — *Detroit*
Mrs. Marcelline Tinnetts — *Grosse Pointe Farms*
Carl G. Trumble — *Jackson*
John Lowe — *Saginaw*

MINNESOTA
Charles Roder — *Minneapolis*
Mrs. Josephine Cleaveland — *St. Paul*

MISSOURI
C. Winchester — *Kansas City*
Mary J. Schneider — *St. Louis*

NEW JERSEY
Adam Widejko — *Nutley*

NEW YORK
Thomas McSherry — *Brooklyn*
Patrick F. Reilly — *New York City*

OHIO
William Chambers — *Cleveland*
John H. Brady — *Toledo*
Henry Landry — *Toledo*

PENNSYLVANIA
Mrs. Rose Dougherty — *Auburn*
Mr. N. J. Patterson — *Harrisburg*
Mrs. Mable King — *Montrose*
Mr. John E. Grimes — *Scranton*
Joseph Proctor — *W. Philadelphia*

FOREIGN
John McCarthy — *Ireland*
Mrs. Winifred McCarthy — *Ireland*

ILL

CALIFORNIA
Ida Edwards — *Santa Monica*

CONNECTICUT
Mrs. Sam Parsons — *Naugatuck*

DISTRICT OF COLUMBIA
Mrs. Mabel McLendon — *Washington*

MASSACHUSETTS
Mrs. Mary Mithers — *Fall River*
Sister Mary Assissium — *Framingham*

MISSOURI
Fred Minstermann — *St. Louis*

NEW YORK
Mrs. Thos. Joy — *Buffalo*
Mrs. Fleurette B. Gallon — *Hastings-on-the-Hudson*
Fr. Stanislaus McGee, O.F.M. — *New York City*
Miss Julia Falter — *Sonyea*
Thomas E. O'Brien — *W. New Brighton*

OHIO
Mrs. Margaret F. Kilroy — *South Euclid*
Charles Miller — *Toledo*

PENNSYLVANIA
Charles Bauer — *Philadelphia*
John J. Crane — *Philadelphia*

Divine Heart of Jesus Convert sinners, save the dying, deliver the holy souls from purgatory. (Indulgence of 300 days, every time. Pius X, Nov. 6, 1906.)

You are invited to join the League of the Little Flower.

Benefits: 1. You are remembered every morning at Mass at the Shrine of the Little Flower.

2. You are remembered every morning at a Special Mass said for our intentions at the Tomb of Christ near Jerusalem.

Obligation: Each day say the Lord's Prayer for the intention of the Little Flower. Her intention is to lead souls back to God.

Privileges: You are privileged to enclose the names of the deceased members of your family. They will be remembered each day at the Sacrifice of the Mass.

Fees: Each living member is requested to contribute one dollar a year.

The money derived from this will be used to help Father Coughlin promote his religious activities.

Mail your membership dues to Father Coughlin at Royal Oak, Mich.

Your prayers are earnestly solicited for our sick friends and for the faithful departed who have recently passed to their reward.

Wishing to take part in the activities of the League of the Little Flower, I hereby make application to become one of its members.

Herewith is enclosed _____ dollar(s) as membership fee for the League of the Little Flower for the person(s) listed below:

Name _____

Street _____

City and State _____

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NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

SENATE LEADERS FIGHT TO KEEP U. S. AT PEACE

MINNESOTA'S LUNDEEN MOBBED FOR OPPOSING PART IN WORLD WAR

IF THERE BE ANY one man in the United States Senate on whom the people of America can rely most to help keep this nation out of the European war, that man is undoubtedly Senator Ernest Lundeen of Minnesota.

He is one of the two remaining members of the Senate who voted against the United States' entrance in the World War. The other is Hiram Johnson of California.

Lundeen's unflinching stand against American involvement in the European catastrophe nearly a quarter-century ago, occurred not in the Senate, however, but in the House, during his "freshman" term there.

For his patriotic efforts to save American neutrality then he was subjected to almost unbearable slander and vilification.

For daring to exercise the first principle of social justice — *liberty of conscience* — he suffered more unjust criticism and abuse than probably any other public official of the time.

In 1918, at Ortonville, Minnesota, a sheriff and a constable sought to jail him as he was about to make a speech denouncing the war as a clash, not for preservation of democracy, but for economic supremacy.

Months later a mob of citizens, having assimilated the war propaganda of the day, kidnaped Lundeen, locked him in a railroad refrigerator car and left him there to die. Providentially he was rescued.

A veteran of the Spanish-American War, Senator Lundeen expressed principles which have since been accepted almost universally.

Unfortunately for the nation, he lost not only his valiant battle for peace, but his position in Congress. It is noteworthy, however, that the G.A.R. concurred in his beliefs. At the request of that organization he delivered the Memorial Day address at Arlington Cemetery in 1919.

Not until 1934 did the people of Minnesota recognize the great value of his unselfish work. Then he was returned to the House. In 1936 he was elevated to the Senate.

Since then Senator Lundeen has been particularly active on behalf of American neutrality, progressive farm legislation and particularly measures calculated to improve the lot of the underprivileged.

He is a co-author of the *Cost-of-Production Bill* for agriculture and has supported all Frazier-Lemke farm measures. He voted for the *Wagner Act*, the *Soldiers Bonus*, and the *Wheeler - Rayburn Public Utilities Holding Company Bill*.

He voted against United States adherence to the World Court and he stood fast against lifting the embargo on materials to belligerent nations.

Only on the Supreme Court revision plan, which he had advocated for many years, before the advent of the New Deal, has he strayed from what SOCIAL JUSTICE believes to be the path toward better social and economic conditions.

—*Harris & Ewing*

HON. ERNEST LUNDEEN
U. S. Senator from Minnesota

READ FATHER COUGHLIN'S COMMENT ON World Affairs In Each Issue of SOCIAL JUSTICE Magazine

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